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Daily Report

China

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Daily Report

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General

Spokesman on Vatican, U.S. Elections, Taiwan

HK1111120694 Beijing CHINA DAILY in English 11 Nov 94 p 1

[By Xu Yang: "Conditions Set For Ties With Vatican"]

[FBIS Transcribed Excerpt] The Vatican must sever its official ties with Taiwan if it wants to have diplomatic relations with China, Foreign Ministry spokesman Shen Guofang said yesterday. [passage omitted]

Commenting on the U.S. midterm elections, Shen said the Republican victory in the Senate and House of Representatives will not hinder Sino-US relations.

Shen said that both U.S. Republicans and Democrats held in common that improving Sino-American relations is in the interest of the two countries and peoples. This policy was also supported by U.S. business circles and the ordinary people.

With regard to the Taiwan issue, Shen told the weekly press conference that a summit across the Taiwan Straits is always the hope of Chinese leaders.

But he reiterated that such a meeting must be arranged through existing channels.

"The Association of the Relations Across the Taiwan Straits and the Straits Exchange Foundation have been maintaining contacts," he said.

Shen firmly ruled out the possibility of summit meeting across the Taiwan Straits through international conferences or other channels.

More on Ties With Vatican

HK1011141394 Hong Kong Television Broadcasts Limited in English 1200 GMT 10 Nov 94

[From the "News at Eight" program]

[FBIS Transcribed Text] There are signs that the decade-long rift between China and the Vatican could be coming to an end. A Hong Kong Catholic delegation visiting Beijing says the Vatican may be prepared to sever diplomatic ties with Taiwan. Beijing says it will open ties with the Vatican only if the city-state recognizes one China.

[Begin recording] [Unidentified correspondent] The Vatican could be closer to establishing diplomatic relations with China. Spokesman for a Hong Kong religious delegation visiting Beijing, John Tsang, says the move could be imminent.

[Tsang, in Cantonese with English subtitles; following transcribed from the subtitles] I believe the two sides are prepared for this. I don't think there'll be a major problem.

[Correspondent] China's Foreign Ministry spokesman says China has always been willing to remain in contact with different religious groups.

[Spokesman Shen Guofeng, in Mandarin fading to superimposed English translation] If the Vatican continues to interfere in the internal religious affairs of China and recognizes Taiwan, then the basis for consultations and discussions is not existent.

[Correspondent] A major problem separating the two is the Pope insists he can appoint bishops where Catholicism is practiced, but China feels this is interfering with their internal religious affairs. [end recording]

UN Delegate Urges 'Widely Representative' WTO

OW1111000294 Beijing XINHUA in English 2232 GMT 10 Nov 94

[FBIS Transcribed Text] United Nations, November 10 (XINHUA)—China should become a founding member of the to-be-established World Trade Organization (WTO) and the WTO should be made more widely representative, a Chinese delegate said here today.

Chinese delegate Nie Hualiang told the second committee of UN General Assembly, "while China needs cooperation with other countries, the world also needs China as a major trading partner. It would be inconceivable to find the World Trade Organization without China as a member."

Nie made the remarks during the committee's discussion on sustainable development and international economic cooperation.

Commenting on the results of the Uruguay Round multilateral trade talks, Nie said the results are of "positive significance" to liberalizing world trade and promoting world economic growth.

However, he noted, as the special interests of the developing countries were not given full consideration in the Uruguay Round talks and in view of mounting trade protectionism, the developing countries still find themselves at a disadvantage in fierce and complex trade competitions.

He called for addressing these problems in implementing the Uruguay agreements and enabling more countries to become WTO members to make it ever more widely representative before the agreements come into force.

He also called for strengthening the role of the UN Conference on Trade and Development in technical assistance to developing countries, so as to help build up those countries' ability in international trade negotiations and to bring about their greater participation in international economic and trade activities.

Noting that the decline of commodity prices has been affecting the developing countries, Nie said it is imperative and timely to call for the convening of a world

conference on commodities to help the commodities market better serve its functions, increase its transparency and expand the diversity of commodities sectors in the developing countries. "China supports the convening of a world conference on commodities and hopes that the conference will be held on the basis of full consultations and preparations," he said.

Brittan Says U.S. Accepts GATT Transition Period

HK1011142494 Hong Kong Television Broadcasts Limited in English 1200 GMT 10 Nov 94

[From the "News at Eight" program]

[FBIS Transcribed Text] China could still achieve its aim of becoming a founding member of the World Trade Organization [WTO]. That from today from visiting European trade commissioner Sir Leon Brittan, but he says there is still some way to go.

[Begin recording] [Unidentified correspondent] With only 51 days to go, time is running out for China. The deadline for China to re-enter GATT, and thus become a founding member of the new World Trade Organization, is 1 January. The United States has been the main obstacle, but its traditional ally, Europe, seems to have changed its tune.

[Brittan] We have discussed this with the United States, and I think we have helped to persuade the United States that it is unrealistic and unreasonable to expect China to do everything right at the outset, and this concept of the transitional period is one which I think—to be fair—the United States has come to accept.

[Correspondent] Just returning from a trip to the mainland, Sir Leon adds there are still some areas that need to be ironed out. He believes China should not be required to enter the WTO as a developed country at the onset, on 1 January, and be given more time to meet global trade demands.

[Brittan, in progress] ...that there are a limited number of further things that are necessary, but they are important ones, such as further market access, such as the ending of the export-import monopoly on the part of the state, and convertibility of currency...

[Correspondent] But time is running out also for GATT countries, who must decide in the next two months exactly on what terms China can join the World Trade Organization. [end recording]

More on WTO Membership Opportunity

MS111112194 London THE TIMES in English 11 Nov 94 p 31

[Report by Jonathan Mirsky: "Warning To China On WTO Membership"]

[FBIS Transcribed Text] Hong Kong—Sir Leon Brittan yesterday told the Chinese Government that the window of opportunity for its founder-membership of the World Trade Organisation [WTO] would not remain open forever.

Sir Leon, the European Commissioner with responsibility for foreign and external relations with countries of the Organisation for Economic Development and Cooperation plus parts of Asia, was addressing Hong Kong's European Business Associations and Chambers of Commerce here.

He said that in meetings in China, Wu Yi, China's minister of foreign trade, had refused to say what the Beijing Government would do to meet requirements to join the WTO, but had observed that it would be flexible if Europe would be equally so.

Sir Leon said that China was beginning to understand that membership of the WTO was not a badge of respectability, but a network of rights and obligations. What China had to do before the window closed—and although the official closing date is January it is understood that it could stretch to next July—was to permit further market access, diminish or end state export and import monopolies, and make its currency convertible.

China need not actually do these things immediately, although until recently, Sir Leon made clear, the United States had demanded immediate and full compliance.

What was being held out to Beijing in exchange for what Sir Leon called its firm statement of intention and eventual compliance, was "a period of transition" lasting five to ten years, which could begin in early 1995. "Chinese integration in the multilateral open market system is too great a prize to be lost through our misreading each other's intentions," he said.

It was a matter of great sensitivity in Hong Kong and China that Europe, fearful of Asian "dumping" of below-cost and, therefore, uncompetitive goods, was imposing protectionism. Sir Leon, however, insisted that Europe was not a fortress, and that it was open to Asian imports. Anti-dumping action, he pointed out, affected less than one per cent of EU [European Union] trade. While it was true, he said, that 15 quotas were maintained on seven Chinese non-textile export products, "you do not often read about the 6,500 quantitative restrictions, of which 4,500 affected China trade alone, that were removed last year... 99 per cent of the Community market is entirely open to your goods".

Sir Leon expressed the belief that China's guarantee of a "high degree of autonomy" for Hong Kong after 1997 would ensure the city's continued dynamism.

PRC Abstains From UN Vote on Rwanda Tribunal

OW1311170694 Beijing China Radio International in Mandarin to Asia 0900 GMT 9 Nov 94

[From the "Report on Current Events" program]

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[FBIS Translated Text] The UN Security Council [UNSC] passed a resolution on 8 November to set up an international criminal tribunal on the Rwanda issue. It also adopted the proposed tribunal's charter. The following is a report by station UN correspondent Liu Hui:

According to the resolution, the international tribunal is designed to prosecute and try Rwandan citizens suspected of committing genocide and other serious crimes in violation of international humanitarianism in Rwanda and its neighboring countries between 1 January and 31 December 1994. The tribunal will be made up of 11 independent judges nominated by the UNSC and elected by the UN General Assembly. The prosecutor also will be the concurrent prosecutor of the international tribunal for the former Yugoslavia. The UNSC also asked Secretary General Butrus Butrus-Ghali to propose the venue of the tribunal. The UNSC resolution, drafted by France, Britain, Russia, the United States, New Zealand, Spain, and Argentina, was adopted with 13 votes in favor. China abstained while Rwanda voted against it.

In his speech, the Rwandan ambassador said his country opposed the resolution for two main reasons: First, the proposed international tribunal will prosecute and try only those people suspected of committing genocide in Rwanda during 1994. However, genocide in Rwanda actually began at the end of 1990. Second, the international tribunal will only sentence convicts to imprisonment, which differs from the provisions of Rwanda's criminal law. The ambassador requested that the international tribunal be established in Rwanda.

Li Zhaoxing, Chinese permanent representative to the UN, said China is, in principle, against invoking Chapter Seven of the UN Charter at every turn of events, like setting up special international tribunals. He pointed out: The international tribunal on Rwanda requires the complete cooperation of the Rwandan Government. However, the Rwanda Government has said it needs further consultation on certain elements of the resolution and the tribunal's charter. Its request should be given consideration.

Li Zhaoxing stressed: Without the Rwandan Government's support and cooperation, it would be difficult for the international tribunal to effectively fulfill its responsibilities.

UN Representative on State Immunity Treaty

OW1211002494 Beijing XINHUA in English 0000
GMT 12 Nov 94

[FBIS Transcribed Text] United Nations, November 11 (XINHUA)—China has all along been in favor of drafting an international convention governing jurisdictional immunities of states and their property, a Chinese representative said here today.

Xu Guangjian, China's representative to the Sixth Committee of the UN General Assembly, told the committee

that drafting such a convention requires all the parties to conduct consultations in a cooperative manner and in no way should the practice of certain countries be imposed on other countries as universal rules. China has participated in such consultations in the spirit of compromise and cooperation, he said.

The sixth committee has held for three years discussions on the draft articles on the jurisdictional immunities of states and their property submitted by the international law commission.

Jurisdictional immunities of states and their property is an important issue involving relations among states and international economic and trade relations. There are now great differences in the nature and scope of state immunity, some countries have turned from the traditional absolute immunity doctrine to the restricted immunity doctrine in their practice, and cases of arbitrary recourse to domestic judicial procedures against a foreign state are frequent.

"Having an international convention on this issue shall help balance and standardize the practice of various countries and find a solution acceptable to all the parties," said the Chinese representative, adding that such a convention will not only provide fair and reasonable remedies to a private party, but also prevent state relations from being adversely affected by the question of state immunity.

Xu reiterated the Chinese delegation's position on some key issues in the draft convention:

- In determining commercial transactions, the nature of a contract or transaction is a major criterion, and the purpose should also be treated as a relevant criterion.
- A distinction should be made between the state and state enterprises. As state enterprises have an independent personality and they are independent in their management and responsible for their own profits or losses, these enterprises should not be seen as part of the state. Except in cases where the state explicitly undertakes a guarantee obligation or gives its authorization, the state should not be held responsible for the actions of state enterprises.
- As measures of constraint against state property are concerned, the issue should be treated cautiously and explicit and strict limitations be laid out. If attachment, impounding or forced execution of the state property of a foreign state are carried out without any distinction, this will inevitably lead to friction and tension among states.

More on Jurisdictional Immunity

SK1411062494 Beijing XINHUA Domestic Service in Chinese 1620 GMT 12 Nov 94

[By reporter Wang Pingxing (3769 1627 5281)]

[FBIS Translated Text] United Nations, 11 Nov (XINHUA)—Chinese representative Xu Guangjian, who was attending the meeting of the sixth committee (legal committee) of the UN General Assembly, said in his speech on 11 November that China actively supported formulation of an international treaty on the jurisdictional immunity of a country and its property to help balance and standardize the practice of various countries in this field.

Xu Guangjian pointed out: The jurisdictional immunity granted a country and its property is an important issue concerning the relations between different countries and international economic and trade exchanges. As has been practiced in some countries, the traditional absolute immunity has been changed into the method of adding certain restrictions on the immunity granted foreign countries. However, the practice of various countries is far from being unified. Not only is there a big difference in the nature and scope of the immunity granted a country, but also the specific methods are not the same in even the countries advocating restrictions on immunity. Meanwhile, indiscriminate application of domestic judicial procedures to foreign countries is also frequent, which often affects the relations between the countries concerned.

Xu Guangjian said: The sixth committee has discussed for three consecutive years the "draft provisions on the jurisdictional immunity granted a country and its property" submitted to the UN General Assembly by the International Law Commission. The "draft" gives full consideration to the interests and propositions of the countries standing for restrictions on immunity and also gives proper consideration to the position of other countries.

In his speech, Xu Guangjian reiterated the Chinese delegation's principles and stand concerning the several key issues on the draft treaty.

1. On the criteria for judging commercial trade, China advocates that while considering contracts or the nature of the trade as the major criterion, it is also necessary to consider the purpose as a relevant criterion. Under many circumstances, the commercial activities of a country are closely related to public interests. Taking the nature of the activities as the only criterion cannot cover all circumstances.

2. States and state-owned enterprises should be distinguished clearly and treated differently. State-owned enterprises, as independent legal persons, are independent in management, responsible for their own profits and losses, and capable of prosecuting and being prosecuted. In both theory and practice, they cannot be regarded as a component of a country, and the prosecution against these enterprises should not involve the countries they belong to. By the same token, the prosecution against a country should not involve its state-owned enterprises, either. A country should not hold the

joint liability for the behavior of its state-owned enterprises unless it clearly shoulders the obligation of guarantee or unless the enterprises are clearly authorized by the country.

3. The issue of handling state property through compulsory measures is the most sensitive aspect of the immunity of a country. It should be treated prudently, and explicit and strict conditions for restrictions should be worked out. If the property of a foreign country is indiscriminately sealed up, distrained, or handled through compulsory measures, friction and tension between the countries concerned will arise.

Xu Guangjian said: The Chinese delegation has joined all the discussions on the immunity of a country in the spirit of consultation, compromise, and cooperation. China hopes that the achievements in the discussions of the sixth committee will help formulate a treaty universally acceptable by all sides.

Jiang Pledges Cooperation With Malaysia

HK1111120394 Beijing CHINA DAILY in English 11 Nov 94 p 1

[By Wang Yong: "Jiang Pledges To Maintain Peace, Prosperity in Asia"]

[FBIS Transcribed Text] Kuala Lumpur—China will work with Malaysia and other Asian countries to ensure peace and prosperity in the region, Chinese President Jiang Zemin said here yesterday.

"The Chinese Government will help maintain peace and stability in Asia and the world at large," he said at a welcome banquet given by Malaysian Supreme Head of State Tuanku Ja'afar.

Jiang said China needs a stable international environment to sustain economic development.

"The Chinese people are devoted to reform and have achieved progress which is recognized universally," he said.

But he said that the world is still in the midst of profound evolution.

"The world is far from tranquil. Hegemonism and power politics still exists."

He said China and Malaysia must safeguard peace and develop their economies.

He said he admired the significant role Malaysia has played in international affairs—upholding justice and speaking out in the interests of developing countries.

Ja'afar said Malaysia welcomes China's co-operation with Asean, especially in trade, investment and technical exchange.

"China's participation in the first session of the Asean Regional Forum reflects the recognition by Asean countries of China's importance and legal role in maintaining peace and stability in the region," he said.

"And we value China's support for Asean," he added.

Jiang arrived here yesterday after winding up a three-day state visit to Singapore.

During an interview with Singaporean reporters yesterday morning, Jiang said that China can be "a partner with Singapore and other Southeast Asian countries."

He said that China will never seek hegemony. "This principle has been written into our Constitution."

"We hold that all disputes (in the Asia-Pacific region) should be settled through negotiation," he said.

As for the Nansha Islands [Spratlys], he said China has pursued a very clear policy: Disputes should be tackled through bilateral negotiations.

"The 'China threat' rumors are unfounded," he said.

Turning to Taiwan, he said: "I am willing to contact and meet with Mr Li Teng-hui to gradually realize the peaceful reunification of Taiwan and the mainland."

Jiang Zemin Previews APEC in Indonesian Interview

OW1311083894 Beijing XINHUA in English 0800
GMT 13 Nov 94

[FBIS Transcribed Text] Beijing, November 13 (XINHUA)—Chinese President Jiang Zemin, before leaving for the informal meeting of leaders of the Asia-Pacific Economic Cooperation (APEC) to be held in Indonesia, was interviewed here on November 1 by Dessy Anwar, anchor of the RCTI television of Indonesia, and answered her questions concerning the Asian-Pacific Economic Cooperation (APEC), economic cooperation and realization of free trade in the Asian-Pacific region, and Sino-Indonesian relations.

Answering the question on the realization of free trade in the Asia-Pacific region before 2020 as proposed by some APEC members, Jiang said that at present, China is devoted to economic development, and that it needs a fair, reasonable, stable and open trade and investment environment.

China supports APEC setting trade liberalization as a long-term objective, he said, but in light of the diversity in Asia and the Pacific, the timetable should be fairly flexible, he said.

Touching on measures by APEC members to realize an open and fair multilateral trade, the Chinese president said that to work out what measures to take, it is necessary to clarify through discussions the definition and scope of trade liberalization and determine some basic principles to achieve free trade.

"These principles," he said, "we believe, should include APEC members granting each other unconditional MFN trading status, taking full account of the fact that APEC members are at different stages of development and realizing trade that is truly equal and mutually beneficial."

On the question of the differences on the future of the APEC by its members at different levels of economic development, Jiang said that APEC has 18 members at present, adding that they differ widely in the level of economic development, history, culture, education and other aspects.

It is natural that they should have different views on the prospect of APEC cooperation, Jiang said, adding that APEC cooperation should proceed from reality.

Jiang said that APEC should have a long-term objective and at the same time take account of the differences and move forward gradually. Only thus will it be possible to achieve tangible results, he added.

On the view that "diversity is a weakness of APEC" and that "some members' interests might be damaged," the Chinese president said that diversity actually is not a weakness of APEC. If it can be turned into complementarity, APEC will be able to conduct cooperation effectively.

As long as the principles of equality, mutual benefit and consensus are observed, he said, it will be possible to avoid damages to some members' interests, Jiang said.

On the significance of holding the APEC meeting in Indonesia, Jiang said that Indonesia is an ASEAN member state and also the current chairman of the Non-Aligned Movement.

It is of major significance that the second informal APEC leadership conference takes place in Indonesia, he pointed out. China has a positive assessment of the ASEAN's role and attaches importance to the Indonesia's positive role in APEC, Jiang said.

"We are ready to cooperate with Indonesia to make the conference a success," he added.

Asked to comment on the prospect of Sino-Indonesian relations, the Chinese president said that China and Indonesia are both large developing countries, adding that "our two countries have common interests on many major issues. The cooperation between our two sides has a sound basis, wide scope, enormous potential and broad prospect."

"I believe that with the common efforts of both sides, the Sino-Indonesian relations based on the five principles of peaceful co-existence and the ten principles of the Bandung Conference will surely develop in a stable manner," Jiang said.

Clinton Says APEC To Set Target Date for Free Trade*OW1111010594 Beijing XINHUA in English 2106 GMT 10 Nov 94*

[FBIS Transcribed Text] Washington, November 10 (XINHUA)—U.S. President Bill Clinton said here today that he hoped the upcoming leaders' meeting of the Asia Pacific Economic Cooperation (APEC) forum will be able to set a target date for free trade.

"I hope and I expect we'll set a target date for achieving free and open trade among all the Asia Pacific economies" at APEC's leaders' meeting in Indonesia a week later, Clinton said in a major foreign policy speech at Georgetown University.

"We'll work to set concrete goals to open the way for doing business in Asia, taking down tariff walls, eliminating non-tariff barriers, simplifying procedures and standards to smooth the flow of goods," he said.

According to U.S. officials, at the Jakarta meeting, the Clinton administration will ask other APEC members to agree on 2020 as the date for APEC economies, including the U.S., China, Japan, ASEAN nations, and Australia, to practise trans-Pacific free trade.

Almost one-third of U.S. exports now go to Asia. Markets in Asia have already created more than two million American jobs. Over the next six years, the Asian members of APEC plan to invest 1.1 trillion U.S. dollars in infrastructure.

While economic competition and the end of the Cold War have left some Asians to wonder whether the U.S. is ready to withdraw from Asia, "I am going to Indonesia to say we remain engaged," the president stressed.

"We must say to the world we will maintain and strengthen our bilateral security relationships with Japan, with South Korea, with Australia, with the Philippines, with Thailand and others," Clinton said.

Reportage on APEC Ministerial Meeting**Qian Qichen Attends Opening***OW1211061194 Beijing XINHUA Domestic Service in Chinese 0625 GMT 11 Nov 94*

[By reporter Yuan Bingzhong (5913 3521 1813) and Zhao Xinkao (6392 2450 5072)]

[FBIS Translated Text] Jakarta, 11 Nov (XINHUA)—The sixth ministerial meeting of APEC opened in Indonesia's presidential mansion today. The meeting will focus on discussing the issue of the liberalization of trade in the Asia-Pacific region and make preparations for the informal summit meeting to be held in Bogor near Jakarta on 15 November.

Indonesian President Suharto presided over the opening ceremony and delivered an opening speech. He said:

Economic diversity in the Asia-Pacific region encourage APEC members to promote dialogue and cooperation in a "friendly and constructive environment," and rapid economic development in the Asia-Pacific region has provided a good opportunity for APEC members. Cooperation in the Asia-Pacific region should be further strengthened. He emphasized that the APEC "should never become an exclusive, closed trading bloc." Instead, it should strive to achieve "open, free, and fair global trade."

Forty-two ministers from 18 APEC member states attended the opening ceremony. The Chinese delegation present at the ceremony is headed by Qian Qichen, foreign minister and vice premier, with Wu Yi, minister of foreign trade and economic cooperation, as its deputy head. After the opening ceremony, the delegates will hold a plenary session in the International Conference Center in Jakarta.

Over the next two days, the delegates of APEC member states will discuss such issues as the timetable for trade liberalization, investment principles, technology transfer and cooperation, and manpower resource development in the Asia-Pacific region.

It is reported that of all the topics for discussion, the most important one is the timetable for trade liberalization, and it is the focus of controversy among delegates. In a report published in August this year, the Eminent Persons Group, an advisory body of the APEC, suggested that the trade liberalization be achieved before the end of 2020. In other words, developed countries and regions shall eliminate all trade barriers before the end of 2010, newly industrialized countries and regions shall do so before the end of 2015, and developing countries and regions shall attain the goal before the end of 2020.

Qian Urges Cooperation Among Members*OW1211060994 Beijing XINHUA Domestic Service in Chinese 0952 GMT 11 Nov 94*

[By reporters Zhao Xinkao (6392 2450 5072) and Liu Ruiping (0491 3843 1627)]

[FBIS Translated Text] Jakarta, November 11 (XINHUA)—Speaking at a plenary session of the sixth ministerial meeting of the Asia-Pacific Economic Cooperation [APEC], Qian Qichen, Chinese vice premier and minister of foreign affairs, said: China supports trade and investment liberalization in the Asia-Pacific region as a long-term goal, and is agreeable to reaching an agreement of intent on this aspect.

Qian Qichen pointed out: APEC is a very distinctive organization. Its rich diversity and the members' interdependence and coexistence are the two most notable characteristics comprising the foundation for Asia-Pacific economic cooperation.

He said: The foundation of APEC's cooperation lies in its members' roles in bringing into play their advantages to mutually supplement their individual shortcomings.

He said: "APEC should strive for joint development and common prosperity. Its most urgent task now is to try to narrow the gap between developing and developed economies and, in particular, to help developing members overcome their various difficulties. Further, it should especially be noted that developing members must adopt some government-mediated measures in the process of market development. The standards of developed members should not be used to interfere [gan yu 1626 7315] with the internal market development process of developing members."

Qian Qichen pointed out: The areas of APEC cooperation should be more comprehensive and extensive. Trade and investment is the principal "source of power" for promoting regional economic development. He said: As there is a very large gap in economic development between APEC members, China supports President Suharto's proposal for setting different timetables for different situations.

He said: China completely endorses Indonesia's proposal for emphasizing infrastructure construction, human resources development, and the development of medium- and small-sized enterprises as APEC's key cooperation areas. Qian Qichen felt that the lack of advanced practical technologies is a realistic problem many APEC members face. Considering APEC members' development and needs, it is completely

essential and feasible to establish long-term and efficient cooperation in science and technology.

He said: The methods and rate of APEC members' cooperation should reflect the realities facing the organization. "China advocates long-term goals and gradual progress for the development of APEC. The organization should practice both ideological guidelines and pragmatism. It is necessary to consider developed members' needs as well as special care for developing members' interests. Within the framework of this principle, it is only practical and effective to draw up a cooperation plan in accordance with different members' levels of economic development and actual capabilities for implementation."

Speaking on China's reentry to GATT, Qian Qichen said: The restoration of China's signatory status in GATT should not be further delayed, as it will not only benefit China, but also the world. It is also beneficial to initiating the process of regional trade liberalization.

Qian Qichen concluded: China has consistently attached importance to regional economic cooperation, and is willing to strengthen economic cooperation and exchange with APEC members on the basis of mutual respect, equality, and mutual benefit, as well as contribute toward promoting Asia-Pacific economic development to bring about common prosperity in this region.

Qian Meets Secretary Christopher

OW1211021294 Beijing XINHUA Domestic Service in Chinese 1707 GMT 11 Nov 94

[By reporters Zhao Xinkao (6392 2450 5072) and Liu Ruiping (0491 3843 1627)]

[FBIS Translated Text] Jakarta, Nov 11 (XINHUA)—Qian Qichen, Chinese vice premier and foreign minister, met with Warren Christopher, U.S. secretary of state, here today. They exchanged views on Sino-U.S. relations and other issues of common concern.

Qian Qichen said: The recent frequent exchange of visits by senior Chinese and U.S. officials has been of positive significance to the development of bilateral relations. During my visit to the United States a month ago, I had fruitful talks with the secretary. On behalf of our governments, we signed two joint statements on the issue of proliferation of guided missiles and cessation of production of fission materials used in nuclear weapons. We are pleased to notice that with joint efforts by the two sides, Sino-U.S. relations have made positive [ji ji 4480 2817] progress.

Christopher said: Since our meeting with the foreign minister at the UN General Assembly in September last year, relations between the two countries have improved markedly. The U.S. Government's "all-out contact policy" has the support of all circles in the United States and has produced positive results. Although there are still differences between the United States and China, we can solve them through dialogue.

Qian Qichen said: The upcoming meeting between Chinese President Jiang Zemin and U.S. President Bill Clinton will be very important. We are confident the Sino-U.S. summit will be constructive [jian she xing 1696 6080 1840] and will surely make new contributions to the further improvement and development of Sino-U.S. relations.

Christopher said: President Clinton is expecting to meet President Jiang Zemin and believes that the meeting will be a successful one with great significance.

Christopher said: The United States and the Democratic People's Republic of Korea [DPRK] have signed a framework agreement on the DPRK nuclear issue. The United States attaches great significance to this development.

Qian Qichen said: China expresses support for the agreement, hoping that all sides concerned will abide by the agreement so that it can be eventually implemented.

Qian Qichen said: China is in favor of realizing step by step the long-term goal of trade liberalization within APEC and supports President Suharto's proposal to achieve the goal by stages. He said: We believe the developed and developing countries should open their markets to each other.

Christopher said: On trade liberalization, the United States upholds setting a date for achieving the ultimate goal and at the same time agrees with China's stand that APEC members at different stages of development should be treated differently.

Qian Yongnian, Chinese ambassador to Indonesia; and Winston Lord, assistant secretary of state of the United States, were present at the meeting.

Qian Qichen also had a meeting with Canadian Foreign Minister Andre Ouellet here this afternoon.

Qian Qichen said: China and Canada have a broad foundation for economic cooperation. Canada has advanced technologies in energy, telecommunications, environmental protection, and other areas. Economically, the two countries are mutually complementary. As APEC members, the two countries share many things in common and can cooperate in safeguarding regional peace and stability and promoting regional economic cooperation and prosperity.

Ouellet said: Relations with China is a major element in the new Canadian Government's foreign policy. The successful visit by the Canadian prime minister to China has brought great commercial opportunities to Canada. The prime minister particularly asked me to relay to the Chinese Government his profound appreciation.

The two foreign ministers also exchanged views on regional and international issues of common concern.

Qian Qichen also met with Australian Foreign Minister Gareth Evans here today.

The two foreign ministers exchanged views on issues of common interests related to the sixth APEC ministerial meeting. They reached identical or similar views on many issues. Both pledged to make vigorous efforts for the success of the meeting.

Qian Qichen said: China, together with many APEC members, holds the view that all APEC members should become GATT members, and they wished that this principle could be reflected in APEC documents this time. The resumption of China's status as GATT signature country will benefit all of its trade partners. Conversely, all sides will suffer if China's GATT status is not restored. On the issue of resumption of GATT status, China has always insisted on the principle of a balance between rights and obligations and will not sacrifice this fundamental principle.

The Australian foreign minister expressed approval of China's stand on this issue. He said that Australia has always supported China's resumption of GATT status as soon as possible and is optimistic in this regard. Qian Qichen expressed appreciation for Australia's stand.

More on Meeting

OW1111234694 Beijing XINHUA in English 1839
GMT 11 Nov 94

[FBIS Transcribed Text] Jakarta, November 11 (XINHUA)—Chinese Foreign Minister Qian Qichen and U.S.

Secretary of State Warren Christopher discussed here today Sino-U.S. relations and other issues.

During the meeting at the Jakarta International Convention Center, Qian said the recent frequent exchange of visits by senior Chinese and U.S. officials has been of positive significance to the development of bilateral relations.

He recalled his latest visit to the U.S. where he held fruitful talks with the U.S. secretary of state.

Qian said, "we are happy to notice that with joint efforts by the two sides, Sino-U.S. relations have made encouraging progress."

For his part, Christopher said that since his meeting with Qian at the UN General Assembly in September last year, relations between the two countries have improved markedly.

Although there are still differences between the United States and China, they could solve them through dialogue, Christopher said.

The upcoming meeting between Chinese President Jiang Zemin and U.S. President Bill Clinton will be very important, Qian said, adding that "we are confident the meeting will be constructive and will surely make new contributions to the development and improvement of Sino-U.S. relations."

Christopher said that president Clinton is expecting to meet Jiang and believes that the meeting will be a successful one with very important significance.

On developments on the Korean peninsula, Christopher said Washington and Pyongyang have signed a framework agreement on the nuclear issue of the Democratic People's Republic of Korea (DPRK). The United States has attached importance to this development, he said.

Qian expressed support for the agreement, hoping that all sides concerned will abide by the agreement so that it can be fully implemented.

China is in favor of realizing step by step the long-term goal of trade liberalization within APEC, Qian said, adding that China supports President Suharto's proposal to achieve the goal by stages.

China holds that the developed and developing countries should open their markets to each other, he said.

Christopher said that on trade liberalization, the United States upholds the fix of a date and at the same time agrees with China's stand that APEC members with different development stages should be treated differently.

Qian Meets Australian Foreign Minister

OW1111164494 Beijing XINHUA in English 1619
GMT 11 Nov 94

[FBIS Transcribed Text] Jakarta, November 11 (XINHUA)—China, together with many members of the

Asia-Pacific Economic Cooperation (APEC) forum, has upheld the view that all APEC members should become GATT members, Chinese Foreign Minister Qian Qichen said here today.

They wished that this principle could be reflected in APEC documents this time, Qian said when meeting Australian Foreign Minister Gareth Evans who is here for the sixth APEC ministerial meeting.

Qian said that the resumption of China's status as GATT signature country will benefit all its trade partners.

He stressed that on the issue of resumption of GATT status, China has always insisted on the principle of balance on rights and obligation.

The Australian foreign minister appreciated China's stand on this issue, saying that Australia has always supported and been optimistic about China's resumption of GATT status.

The two ministers also exchanged views concerning the APEC ministerial meeting.

Qian Meets Canadian Foreign Minister

OW1111164594 Beijing XINHUA in English 1633
GMT 11 Nov 94

[FBIS Transcribed Text] Jakarta, November 11 (XINHUA)—Chinese Foreign Minister Qian Qichen said here today that as APEC members China and Canada have many things in common in safeguarding regional peace and stability and promoting regional economic cooperation and prosperity.

Qian made the remarks when meeting Canadian Foreign Minister Andre Ouellet who is here for the sixth ministerial meeting of the Asia-Pacific Economic Cooperation (APEC) forum.

Qian, who is here for the APEC meeting, said that relations between the two countries have developed rapidly and the Canadian prime minister's visit to China early this month has pushed bilateral relations to a new stage.

Ouellet said that the new Canadian Government attaches importance to the development of Canadian-Chinese relations.

The visit by the Canadian prime minister to China has brought great commercial opportunities to Canada, he said.

Qian Meets New Zealand Foreign Minister

OW1311020294 Beijing XINHUA in English 0120
GMT 13 Nov 94

[FBIS Transcribed Text] Jakarta, November 13 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen and his New Zealand counterpart Don

McKinnon expressed satisfaction over the development of relations between their two countries.

Qian, who is here for a ministerial meeting of the Asia-Pacific Economic Cooperation (APEC) forum which ended yesterday, told McKinnon he is confident that with further growth of the Chinese economy, bilateral trade will continue to rise.

Qian said that in recent years, there have been frequent exchanges of visit by high-ranking officials of the two countries, including the just concluded visit to New Zealand by Qiao Shi, chairman of the Standing Committee of the National People's Congress.

The direct contacts between top leaders of the two countries will play a positive role in the smooth development of bilateral relations, the Chinese minister said.

McKinnon said he agreed with Qian's positive views on the two countries' relations. Bilateral trade is increasing fast and New Zealand is pleased to see China's rapid economic growth, he added.

The two ministers expressed satisfaction over their cooperation in the United Nations.

They also discussed regional issues of mutual interest.

Qian Reassures Japan on '97 Handover

HK1411083494 Hong Kong HONGKONG STANDARD
(FINANCIAL REVIEW) in English 14 Nov 94 p 1

[By Chito Lozada]

[FBIS Transcribed Text] Jakarta—Chinese Vice-Premier Qian Qichen says China will work closely with the British Government to assure the smooth transition of sovereignty over Hong Kong.

In a meeting with Japanese Foreign Minister Yohei Kono during a break in the Asia-Pacific Economic Cooperation (APEC) forum ministers' meeting in Jakarta yesterday, Mr Qian said that Chinese and British officials had agreed "to have close cooperation" over the 1997 handover. "The intentions of China and the United Kingdom are already embodied in the settlement of the airport issue," Mr Qian told Mr Kono.

Japan's director of the International Press Division, Takeshi Nakane, who briefed newsmen on the discussions said that Mr Kono expressed Japan's keen interest in the manner of the handover. "The stability of Hong Kong is important to the Asia Pacific region. The interest of countries in the region is for the transfer of sovereignty to be conducted smoothly and peacefully," Mr Nakane quoted Mr Kono as saying.

Mr Nakane said that Mr Kono acknowledged the importance of the recently signed airport financing agreement as an assurance of the Chinese and British Governments' commitment to a smooth handover.

Mr Qian also assured Mr Kono that China would allow the participation of Hong Kong and Taiwan in future APEC meetings, based on its position at the last APEC summit in Seattle. Under this position, China would allow Hong Kong to send economic ministers to APEC meetings after the 1997 handover.

In return, Mr Kono assured China of "full support" for its bid to re-enter the General Agreement on Tariffs and Trade (GATT) before it is replaced by the World Trade Organisation on 1 January 1995.

"The government of Prime Minister Tomiichi Murayama considers the relationship between China and Japan of the utmost importance," Mr Nakane said. Mr Kono said that despite the problems facing China's efforts to rejoin GATT, he was confident that these would be resolved soon. He also told Mr Qian that Japan appreciated China's initiatives to open its economy.

Mr Kono also delivered Mr Murayama's invitation for Chinese President Jiang Zemin to visit Japan soon and Mr Qian invited Mr Murayama to visit China.

Mr Kono expressed hopes that an agreement would be reached soon between China and Japan over the release of the fourth yen-denominated loan package to fund several development projects on the mainland. Mr Nakane did not specify the loan amount but he said the package "would be one that would enhance the relationship between Japan and China". Mr Nakane said Japan had provided China with a total of 810 billion yen (HK\$64.15 billion) in loans under the third yen-denominated loan program.

Hong Kong To Remain APEC Member

OW1011164394 Beijing XINHUA in English 1626
GMT 10 Nov 94

[FBIS Transcribed Text] Jakarta, November 10 (XINHUA)—Hong Kong will remain a member of the Asia-Pacific Economic Cooperation (APEC) forum after 1997 when China resumes sovereignty over the region, a spokesman of the Chinese delegation to the APEC ministerial meeting said here today.

"Hong Kong will continue to be a member of APEC, but it will be called 'China's Hong Kong,'" he told XINHUA.

The APEC ministerial meeting is to take place on Friday and Saturday.

APEC, formed in November 1989, groups Australia, Brunei, Canada, China, Hong Kong, Indonesia, Japan, South Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, the Philippines, Singapore, Chinese Taipei, Thailand and the United States. Chile is to become a full member on Friday.

Qian Meets ASEAN Leader

OW1211172494 Beijing XINHUA in English 1646
GMT 12 Nov 94

[FBIS Transcribed Text] Jakarta, November 12 (XINHUA)—Chinese Vice Premier Qian Qichen today met

with Dato' Ajiit Singh [name as received], secretary-general of the Association of Southeast Asian Nations (ASEAN), and discussed with him Sino-ASEAN ties and other issues of mutual interest.

Qian, who is also foreign minister, said China has always attached great importance to developing long-term, stable and good neighborly relations of friendship and cooperation with ASEAN member states.

Apart from the rapid development of economic and trade cooperation, Qian said, the two sides have strengthened their cooperation and coordination in maintaining regional peace and stability, and have played a positive role in this region.

He noted that China and the ASEAN have exchanged notes on setting up two joint committees on economy and trade, as well as on science and technology.

This has created better conditions for the two sides to expand their cooperation and contacts, which will further advance the overall Sino-ASEAN relationship, said the Chinese foreign minister.

For his part, Singh said that since 1991 when China attended for the first time the ASEAN foreign ministerial meeting in Kuala Lumpur, relations between the ASEAN and China have made marked progress.

Today, Qian also met with New Zealand Deputy Prime Minister and Minister of Foreign Affairs, Trade, and Pacific Island Affairs Don McKinnon. They discussed bilateral trade and other economic issues.

Jiang Meets Kim Yong-sam

OW1411025394 Beijing XINHUA in English 0236
GMT 14 Nov 94

[FBIS Transcribed Text] Jakarta, November 14 (XINHUA)—Chinese President Jiang Zemin met South Korean President Kim Yong-sam here today for talks on bilateral relations and international issues.

Earlier in the day, President Jiang had talks with U.S. President Bill Clinton, their second meeting in a year.

The leaders are here for the informal meeting of the Asia-Pacific Economic Cooperation (APEC) leaders, which is to take place on Tuesday in Bogor, 60 kilometers south of Jakarta.

Chinese Premier Li Peng visited South Korea from October 31 to November 4.

Wu Yi Meets Officials

OW1211170094 Beijing XINHUA in English 1602
GMT 12 Nov 94

[FBIS Transcribed Text]—Jakarta, November 12 (XINHUA)—Chinese Foreign Trade and Economic Cooperation Minister Wu Yi said here today that China has

made great efforts to facilitate the resumption of its status in the General Agreement on Tariffs and Trade (GATT).

Wu made the statement during her separate meetings with New Zealand Minister of Commerce, Industry and Trade negotiations and State Owned Enterprises Philip Burdon, Japanese International Trade and Industry Minister Ryutaro Hashimoto and Canadian Minister for International Trade Roy MacLaren.

Wu was attending the sixth ministerial meeting of the Asia-Pacific Economic Cooperation (APEC) forum in Indonesia.

Briefing the three ministers on negotiations over the resumption of China's GATT status, Wu said China has since 1986 exerted great efforts on the issue and showed positive reaction to demands made by GATT contracting parties. In particular, she said, China has presented a tariff-reduction package related to Chinese farm products and on agricultural products.

Wu criticized certain countries for placing excessive demands on China, which she said had gone far beyond what China has committed as a developing country.

She hoped that parties concerned will support with actions China's efforts for the resumption of its GATT status.

China will not seek the resumption of its GATT status at the expense of many of its interests, she stressed.

Chinese official sources said the ministers of New Zealand, Japan and Canada have voiced their backing for China's principled positions. The three ministers said the resumption of China's GATT status will enhance the multilateral trade system, which would be otherwise weakened, according to the sources.

Reportage on President Clinton Philippines Visit

Clinton Arrives for Visit

OW1211233394 Beijing XINHUA in English 1740
GMT 12 Nov 94

[FBIS Transcribed Text] Manila, November 12 (XINHUA)—U.S. President Bill Clinton arrived here tonight for a stopover visit to the Philippines on his way to Indonesia for the Asia Pacific Economic Cooperation leaders' informal meeting.

Clinton was the first incumbent U.S. President to visit the Philippines since 1975.

Clinton's Asia tour came amid speculations that the U.S. has offered to base pre-positioning military equipment in Southeast Asia for quick response on any emergency in the region.

Thailand, Malaysia and Indonesia have reportedly rejected such request of the U.S. Government.

Described as "too early" for the Philippines to be talking such issue, President Fidel Ramos said his meeting with Clinton on Sunday [13 November] will focus on economic cooperation through increased trade and investments.

He said they also will talk about political issues concerning the U.S. and the Philippines, and social concerns such as the unresolved claim of other benefits of Filipino war veterans and the welfare of the Amerasian children in the country.

President Ramos said he also will raise the problem of toxic wastes left by U.S. Forces in the former military bases of Subic and Clark.

U.S. Ambassador John Negroponte said the two leaders were expected to touch on a proposed "acquisition and cross-serving agreement" which would allow U.S. Armed forces to buy up to 12 million U.S. dollars worth of supplies here every year.

He said the accord was expected to be signed in a meeting of the two countries' Mutual Defense Board next month. There is still a Mutual Defense Treaty between the two countries which was signed in 1951.

Foreign Affairs Undersecretary Rodolfo Severino said that an extradition treaty and a mutual legal assistance treaty between the Philippines and the U.S. are expected to be signed during Clinton's visit.

American Forces drove the Spanish out of the Philippines in 1898, turning the latter into a colony of the U.S. in 1946.

The last U.S. troops evacuated the country in November 1992 after the Philippine Senate rejected the extension of the U.S. Bases Treaty.

With the closure of the military bases, the U.S. reduced substantially its economic and military aids to the Philippines.

President Ramos made a two-week working visit to the U.S. last November in 1993 in a bid to create new Philippine-U.S. ties which he said should be based on trade and economic cooperation rather than military security and aid.

The U.S. still remains the country's number one trading partner with the total bilateral trade reaching 7.8 billion U.S. dollars which was in favor of the Philippines.

Clinton Visit 'Significant' Signal

OW1311093794 Beijing XINHUA in English 0826
GMT 13 Nov 94

[FBIS Transcribed Text] Manila, November 13 (XINHUA)—President Fidel Ramos said today that U.S. President Bill Clinton's 21-hour visit to the Philippines is a significant and strong signal that the United States is engaged in the Asia-Pacific.

Ramos made the remark to President Clinton during their one-hour tour of the historic island fortress Corregidor this morning.

At Corregidor, President Ramos played the host to the American leader, who arrived in Manila last night for a brief state visit.

Wearing an informal plaid shirt, Clinton was welcomed by Filipino and American veterans of World War II. American veteran William Martin, 75, came all the way from the United States for the Corregidor rites.

He told Clinton, "you are truly trying to do something that will improve the status of everyone in America."

Martin served in Corregidor and Bataan, joined the 105-km death March from Mariveles, Bataan, to Capas, Tarlac. Some 70,000 Filipino and American soldiers participated in the March during which 25,000 were estimated to have died.

Corregidor is a 546-hectare tadpole-shaped island at the mouth of Manila Bay.

Briefly, it was the seat of the Philippine Government during the war and served as headquarters of General Douglas MacArthur before the latter sailed to Mindanao by boat on his way to Australia where he made his famous vow, "I shall return."

Early this morning, President Ramos formally welcomed President Clinton in full state honors at the front of the new executive building at Malacanang.

Clinton Cited on U.S. Commitment

OW1311151494 Beijing XINHUA in English 1456
GMT 13 Nov 94

[FBIS Transcribed Text] Manila, November 13 (XINHUA)—Visiting U.S. President Bill Clinton said tonight his country will and must remain engaged in the Pacific region for security and economic reason.

He told a press conference here that one-third of the U.S. exports, supporting some 2 million American jobs, already go to the Asian Pacific region.

Over the last 50 years, he said, "the relationship between the United States and the Philippines has changed, has grown, has matured; but we are still very much bound together in ways that I think are positive."

He pledged he will do what he could to increase the interest of the American business community in investment in the Philippines.

He also announced that the U.S. will supply the Philippine Armed Forces (AFP) with two C-130s and the two countries will continue to discuss the possibility of shared equipment to build up the AFP's strength.

On the toxic wastes left at former U.S. military bases, he said that his government is continuing to work with the Philippine Government on the issue and will continue to do so.

He also indicated that the recent Congress elections in the United States will not affect his administration's foreign policy.

The Republican House and Senate leaders "expressed their support for this trip and for our policy generally," he added.

De Villa Clarifies U.S. Talks

OW1211234094 Beijing XINHUA in English 1730
GMT 12 Nov 94

[FBIS Transcribed Text] Manila, November 12 (XINHUA)—Defense Secretary Renato De Villa today made a clarification that the government had not yet reached an agreement with the United States to allow American Forces to set up a military depot in the country.

De Villa made the statement in reaction to reports about the existence of a "supply pact" made through executive agreements between the two countries.

U.S. Ambassador John Negroponte was quoted earlier by local press as saying that President Bill Clinton and President Fidel Ramos are expected to touch on the proposed agreement during their summit meeting on Sunday [13 November].

President Clinton is scheduled to arrive here tonight for a stopover visit to the Philippines on his way to Indonesia for the Asia Pacific Economic Cooperation leaders' informal meeting.

Negroponte, reportedly, said that the accord would be signed in a meeting of the Philippine-U.S. Mutual Defense Board next month.

Senator Blas Ople said the Senate will call early next week De Villa and Foreign Affairs Secretary Roberto Romulo to elaborate more on the issue.

Reportedly, the agreement will allow warships of the two countries to refuel and procure food supplies in either country.

"The proposed agreement between the U.S. Pacific Command and the Armed Forces of the Philippines, which was initiated by the U.S. side in an Mutual Defense Board meeting sometime last year, is to be called an "acquisition and cross-servicing agreement," De Villa said.

He said the proposal is "to effect the provision of routine supplies and services such as food, fuel, spare parts, training, repair and maintenance services to either party as requested by one party in connection with joint military activities under the Philippine-U.S. Mutual Defense Treaty."

The supplies and services are proposed to be paid in cash or in kind by the requesting party, De Villa said.

Clinton Ends Visit

OW1311132694 Beijing XINHUA in English 1303
GMT 13 Nov 94

[FBIS Transcribed Text] Manila, November 13 (XINHUA)—U.S. President Bill Clinton left here tonight for Jakarta after ending a 20-hour state visit to the Philippines.

He is scheduled to attend the APEC leaders' informal meeting in Jakarta, Indonesia, to be held on November 15.

During his brief stay here, Clinton and President Fidel Ramos discussed bilateral relations, especially economic ties between the two countries, as well as regional issues.

The two countries signed an extradition treaty and a mutual legal assistance treaty.

Federal Express, a large U.S. transportation firm, also signed an agreement with the Subic Bay Metropolitan Authority to create a regional hub in the Philippines.

President Clinton described his talks with Ramos as "very good bilateral discussion."

President Ramos told reporters, "we look forward to moving Philippine-United States partnership to a higher and more mutually beneficial level in the years to come."

'News Analysis' Notes Visit

OW1211235194 Beijing XINHUA in English 1640
GMT 12 Nov 94

["News Analysis" by Xiong Changyi: Clinton's Manila Trip, Symbolic Visit"]

[FBIS Transcribed Text] Manila, November 12 (XINHUA)—Nearly two years after the United States pulled out its troops from the Philippine soil, U.S. President Bill Clinton's 22-hour state visit here may have a largely symbolic value.

Foreign Secretary Robeto Romulo said, "The symbolism is extremely important, but in that symbolism is the substances of our relationship which indicates that we have a very strong relationship based on the past and with a more important reference to the future."

Since the closure of U.S. military facilities in the country in 1992, overall economic assistance from Washington to Manila has been dropped steadily, from 244.5 million U.S. dollars in 1992, down to 124.7 million U.S. dollars in 1993 and further down to 66.16 million U.S. dollars in 1994.

However, the United States has remained as the country's top trading partner. The total trade in the past 10 years has reached over 53 billion U.S. dollars with the balance of trade largely in favor of the Philippines.

The United States is also the country's second largest investor, with total investments amounting to 2.38 billion pesos (95.2 million U.S. dollars) in 1993.

Romulo indicated, "Although the Philippines is now attaching a priority to its relationship with the countries in East Asia, there should be no mistaking the fact that the Philippines continues to attach high priority to its relationship with the United States."

According to Philippine officials, President Fidel Ramos is expected to discuss bilateral economic relations and regional security issues with President Clinton during the U.S. leader's brief stay in Manila.

The two leaders will also touch special issues, such as support and aid for the "Americans' children of U.S. soldiers left behind in former base towns, benefits for Filipino veterans who served under the U.S. command during the World War II and the clean-up of toxic wastes found on the sites of former U.S. bases.

Government officials said that President Clinton's Manila trip will be "a benchmark in the process of forming a new relationship between the two countries since the end of the Cold War and the departure of American Forces from the Philippine bases."

Meanwhile, "MANILA CHRONICLE," an influential local paper, said today in its editorial, "The fact that Clinton comes to Manila en route to the APEC summit defines the essential symbolic value of this visit: The Philippines is back in business at the heart of Asia."

"We want the Clinton visit to help us advertise that fact," it said, adding "That is the bottomline value of the American President's brief sojourn."

U.S. Experts Arrive in Pyongyang for Nuclear Talks

OW1211233694 Beijing XINHUA in English 1520
GMT 12 Nov 94

[FBIS Transcribed Text] Pyongyang, November 12 (XINHUA)—A U.S. delegation of nuclear experts arrived here today to hold talks with their counterparts of the Democratic People's Republic of Korea (DPRK) on the safe storage of spent nuclear fuels.

The 10-member U.S. delegation is headed by Norman A. Wulf, deputy assistant director of the Bureau of Nuclear and Weapons Control under the U.S. Arms Control and Disarmament Agency.

The scheduled negotiations between DPRK and U.S. experts, which will begin Monday [14 November], will be the first of such talks at the experts' level since Pyongyang and Washington signed a framework agreement on nuclear issues in Geneva in mid-October.

The two sides will exchange views on the security and storage of the spent nuclear rods that DPRK experts withdrew from the country's 5-megawatt nuclear reactors in Nyongbyon in May.

DPRK sources said the U.S. experts will probably make a on-the-spot tour of the nuclear facilities in Yongbyon following bilateral meetings in Pyongyang.

Both sides are optimistic about the results of next week's talks.

XINHUA Notes Talks

*OW1411092694 Beijing XINHUA in English 0902
GMT 14 Nov 94*

[FBIS Transcribed Text] Pyongyang, November 14 (XINHUA)—Nuclear experts from the Democratic People's Republic of Korea (DPRK) and the United States began a five-day talks here today, discussing how to take good care of the 8,000 waste fuel rods dismantled from the DPRK's Yongbyon nuclear reactor.

This is one of the moves in implementing the framework agreement on nuclear issues reached between the DPRK and the United States in Geneva.

The press is likely to be briefed on the result of the talks later, well-informed sources said.

The agreement which the DPRK and the United States signed in Geneva on October 21 would freeze the DPRK's existing nuclear program and move both nations toward full normalization of political and economic relations.

United States & Canada

Reportage on U.S., PRC Officials' Meeting

Jiang-Clinton Summit Previewed

*OW1311085994 Beijing XINHUA in English 0840
GMT 13 Nov 94*

["Roundup" by Zhang Yijun: "From Seattle to Jakarta: A Year of Growth for China-U.S. Ties"]

[FBIS Transcribed Text] Beijing, November 13 (XINHUA)—Chinese President Jiang Zemin and U.S. President Bill Clinton are scheduled to meet Monday [14 November] in Jakarta, capital of Indonesia, a day before the informal meeting of leaders of the Asia-Pacific Economic Cooperation (APEC) forum.

The forthcoming Sino-U.S. summit in Indonesia will be constructive and significant, and will surely further promote bilateral relations, officials from both countries agreed.

This will be the second meeting between Chinese and U.S. Presidents. They first met in Seattle last November.

The first Jiang-Clinton meeting has given a new impetus to the improvement and development of bilateral relations, and frequent high-level exchanges have been made between the two countries since then.

Chinese Vice-Premiers Zou Jiahua, Qian Qichen and Li Lanqing visited the United States respectively in April, October and November this year, while four U.S. Cabinet members have visited China, including Secretary of Treasury Lloyd Bentsen, State Secretary Warren Christopher, Commerce Secretary Ronald Brown and Defense Secretary William Perry.

During Bentsen's stay in China, the Sino-U.S. Joint Economic Committee was reopened after a suspension of six years, and before that, the fourth textile agreement had been reached between China and the United States after rounds of tough talks.

In April, the China-America Joint Committee on Science and Technology was revitalized as Chinese State Councillor and Minister in Charge of the Science and Technology Commission visited the United States, while Chinese Foreign Trade Minister Wu Yi and a delegation led by her attended the eighth session of the Sino-U.S. Joint Committee on Commerce and Trade in Washington.

Last month, the Joint Defense Conversion Commission between China and the United States met for the first time in the Great Hall of the People during Secretary Perry's visit here.

Such exchanges and cooperations have helped push forward Sino-U.S. relations, observers here said.

President Clinton's May decision on renewal of China's Most-Favored-Nation (MFN) trading status and separation of MFN issue from the human rights issue, has created a favorable condition for strengthening and expanding bilateral trade and economic ties, as well as furthering the development and improvement of bilateral ties.

The United States is China's third largest trade partner and the biggest overseas investor in China, and China is also a major trade partner of the United States. In the first nine months of this year, bilateral trade volume reached over 24 billion U.S. dollars and the year-end figure is expected to exceed 30 billion U.S. dollars.

High-level military contacts and exchanges between the two countries have also been renewed this year. Besides Perry, senior American military officers visiting China this year also included Undersecretary of Defense Frank Wisner, Commander-in-Chief of the Pacific Command of the U.S. Armed Forces Admiral C.R. Larson and U.S. Air Force Chief of Staff Merrill MacPeak. Meanwhile, Xu Huizi, deputy chief of General Staff of the Chinese People's Liberation Army also visited the United States in August.

Nevertheless, due to their differences in social system and ideology, China and the United States have divergent views on some issues. Such divergences, Chinese leaders believe, could be ironed out through dialogues on

an equal footing and should not become obstacles to cooperation between the two countries on the basis of mutual benefit.

As two influential countries in the world, China and the United States should strengthen their cooperation in various fields, they said.

China holds that the three joint communiqués signed between the two countries should be the cornerstone for bilateral relations and they should enhance trust, reduce troubles, promote cooperation and avoid confrontation. Meanwhile, the United States also has expressed its willingness to maintain a constructive relationship with China.

Therefore, people have reason to believe that the second Jiang-Clinton meeting will make another opportunity for the improvement and expansion of China-U.S. relations.

Meeting To Be 'Constructive'

OW1211110694 Beijing XINHUA in English 1051
GMT 12 Nov 94

[FBIS Transcribed Text] Jakarta, November 12 (XINHUA)—The forthcoming meeting in Indonesia between Chinese President Jiang Zemin and U.S. President Bill Clinton will be constructive, Chinese Foreign Minister Qian Qichen said here today.

Qian told a joint press conference after a two-day ministerial meeting of the Asia-Pacific Economic Cooperation (APEC) Forum that Jiang and Clinton are scheduled to meet on November 14, a day before the informal APEC leadership meeting in Bogor, Indonesia.

Qian said that the two leaders' meeting will surely further promote Sino-U.S. relations.

Qian, also China's vice premier, said that his own meeting on Friday [11 November] with U.S. Secretary of State Warren Christopher has paved the way for the Jiang-Clinton meeting.

The Chinese foreign minister said that during their meeting, he and Christopher reviewed the positive aspects of the developments in Sino-U.S. relations over the past year.

Qian was heading a Chinese delegation at the sixth APEC ministerial meeting which ended today.

Jiang, Clinton Meet

OW1411062294 Beijing XINHUA in English 0546
GMT 14 Nov 94

[FBIS Transcribed Text] Jakarta, November 14 (XINHUA)—Chinese President Jiang Zemin and U.S. President Bill Clinton, meeting here today for the second time in a year, discussed a wide range of topics including bilateral relations and regional and international issues.

The 60-minute meeting at Jakarta's international conference center this morning proceeded in a friendly atmosphere, according to Chinese Foreign Ministry officials.

This was the second formal meeting between the presidents of the two countries since last November when they met in Seattle, the United States.

At today's meeting, President Jiang recalled that the Seattle meeting, at which they reached consensus on a number of major issues, guided Sino-U.S. relations to the normal track of improvement and development.

He expressed the hope that their Jakarta meeting will give a fresh impetus to bilateral relations so that they will be expanded still further.

Agreeing with Jiang on his assessment of the relations between the two countries, President Clinton said that significant progress has been made in Sino-American relations over the past year.

He said that exchanges of visits by senior officials of the two countries have become more frequent, bilateral economic and trade ties have been improving and military intercourses have been restored.

After reviewing Sino-U.S. relations over the past 20 years, Jiang said that whenever the Sino-U.S. relationship is developing smoothly, "we are able to do things beneficial to the peoples of China and the United States and the people in the world as a whole."

No party would benefit when such relations get strained, he added.

He said that in this world of interdependence, economy has become the first and foremost factor in relations between countries.

China has no intention of posing a challenge to the U.S. economy, Jiang said. Instead China is a partner for mutually beneficial cooperation with the United States, he said.

He said there are favorable conditions and a broad scope for increased cooperation between China and the United States.

At the meeting, Clinton expressed satisfaction over the progress made in Sino-U.S. relations, saying they have now become closer.

He expressed the confidence that those problems still pending for solution will be solved.

He said that looking to the next century, prospects exist for the two countries to become good partners to each other.

He pledged his efforts to continue to push relations between the two countries ahead in the right direction.

Jiang on 'Taiwan Independence'

OW1411075194 Beijing XINHUA in English 0740
GMT 14 Nov 94

[FBIS Transcribed Text] Jakarta, November 14 (XINHUA)—Chinese President Jiang Zemin said here today that the Chinese Government can never tolerate the Taiwan authorities pursuing the policy of "Taiwan independence" and any foreign forces intervening in it.

Jiang reiterated this policy of the Chinese Government on the Taiwan issue when meeting U.S. President Bill Clinton here this morning, the second official meeting between the two leaders within a year.

Jiang said that as the issue is related to the sovereignty, territorial integrity and the reunification of the motherland of China, it is a very important and fundamental issue for the Chinese Government and people. Any abnormality on the issue will directly affect the feeling of the 1.2 billion Chinese people, he stressed.

Jiang said it is for the purpose of resolving the issue through peaceful means that the Chinese Government has formulated the policy of "peaceful reunification and one nation with two systems."

Jiang said that if the Taiwan authorities pursue the policy of "Taiwan independence" and in the event of foreign intervention that would result in a turbulent situation in the Taiwan Strait, "we will by no means just sit and tolerate it."

Clinton said that the United States will continue to adhere to the principles laid down in the three Sino-U.S. joint communiques, and will continue to follow the one-China policy.

Jiang Proposes Guiding Principles

OW1411075594 Beijing XINHUA in English 0746
GMT 14 Nov 94

[FBIS Transcribed Text] Jakarta, November 14 (XINHUA)—Chinese President Jiang Zemin proposed five principles guiding the development of Sino-U.S. relations at a meeting with U.S. President Bill Clinton here this morning.

Jiang Zemin said at the meeting that a new constructive relationship should and could be established between China and the United States.

He put forward five principles guiding the development of Sino-U.S. relations on the basis of the three joint communiques signed by the two countries.

The principles Jiang proposed are:

—The two sides develop bilateral relations from a broader and long-term point of view with the world situation in mind and the 21st century in perspective;

—The two sides mutually take into account each other's national conditions and respect each other's choice, tackle all problems in bilateral relations in the spirit of friendship;

—The two sides push bilateral economic cooperation toward an all-round development by making full use of the advantages of the two economies;

—The two sides strengthen mutual consultation and cooperation in international affairs and within international organizations;

—The two sides increase exchanges between them, particularly of high-level visits and contacts.

At the meeting today, Clinton said he agrees to the principles proposed by Jiang for the guidance of relations between the two countries, adding the United States has similar considerations.

He said the two countries have to further develop economic and trade ties that are of mutual benefit, foster mutual trust and tackle differences in the spirit of friendship, and engage in cooperation in solving some global issues.

The meeting today between the two heads of state of the two countries is the second of its kind within the past 12 months.

Qian Qichen, Chinese vice premier and foreign minister, Zeng Qinghong, special assistant to the president and Wu Yi, minister of foreign trade and economic cooperation, were present at the meeting.

U.S. Secretary of State Warren Christopher and Secretary of Commerce Ronald Brown also attended the meeting.

Jiang, Clinton on Human Rights

OW1411081794 Beijing XINHUA in English 0810
GMT 14 Nov 94

[FBIS Transcribed Text] Jakarta, November 14 (XINHUA)—Chinese President Jiang Zemin said the Chinese Government attaches great importance to the issue of human rights and is making unremitting efforts to ensure that the Chinese people enjoy all rights in the broadest possible sense.

He made the remarks during a meeting with U.S. President Bill Clinton here this morning, and added that what China needs is stability, without which nothing can be achieved.

Without stability, the cause of reform and opening-up in China would be damaged, economic construction could not continue and even the survival of thousands upon thousands of people would be a problem, Jiang said.

This, he added, would then become a serious human rights problem.

"We are willing to engage in dialogue on the issue of human rights with the United States on the basis of equality and mutual respect, so as to increase mutual understanding and remove misunderstanding," said the Chinese president.

At the meeting, Clinton said the decision he made in May this year on separation of the issue of human rights from the most-favored-nation treatment to China has proved correct.

As it conforms to the interests of both American and Chinese people, the decision has therefore won broad support in U.S. Congress, he went on to say.

Meanwhile, he expressed thanks to the Chinese side over the resumption of dialogue between the two countries on the issue of human rights.

The two leaders also exchanged views on other regional and international issues during the meeting, which was the second between them in 12 months.

Further on Talks

OW1411104894 Beijing XINHUA Domestic Service in Chinese 0818 GMT 14 Nov 94

[By reporters Wei Guoqiang (7614 0948 1730) and Duan Jiyong (3008 0679 0516)]

[FBIS Translated Text] Jakarta, 14 Nov (XINHUA)—Chinese President Jiang Zemin and U.S. President Bill Clinton held a formal meeting at Jakarta's International Conference Center in Jakarta this morning. The two leaders discussed a wide range of topics including bilateral relations and international and regional issues of common concern.

This is the second formal meeting between the presidents of the two countries in the past year. The one-hour meeting proceeded in a friendly atmosphere.

Jiang Zemin expressed delight at meeting President Clinton again. He said: Through the candid and in-depth discussion at the meeting in Seattle last year the two countries reached consensus on a number of major issues, which guided Sino-U.S. relations to the normal track of improvement and development. He expressed the hope that the Jakarta meeting will give a fresh impetus to bilateral relations so that they will be expanded even further.

Saying that he was very happy to meet with President Jiang Zemin again, President Clinton agreed with the Chinese president on the latter's assessment of relations between the two countries. He said: Significant progress has been made in Sino-U.S. relations over the past year. Exchanges of visits by senior officials of the two countries have become more frequent, bilateral economic and trade ties have been improving, and military exchanges have been restored.

Jiang Zemin said: In the early seventies, the leaders of the two countries, with the foresight and sagacity of a strategist, reopened the door for Sino-U.S. relations. In the ensuing more than two decades, bilateral relations experienced both smooth sailing and difficulty and trouble. Historical experience shows that whenever Sino-U.S. relations are developing smoothly, we are able to do things beneficial for the peoples of China and the United States, and people of the world as a whole; whenever such relations become strained, neither side benefits.

Jiang Zemin pointed out: The world today remains turbulent and changeable, and we are witnessing new disintegrations and the combination of various forces. In the face of numerous complex and unstable factors, China and the United States shoulder still heavier responsibilities in maintaining world peace and stability, especially in the Asia-Pacific region, wherein the vital interests of our two countries lie. In this world of interdependence, the economy has become the first and foremost factor in relations between countries. China has no intention of posing a challenge to the U.S. economy. Instead, China wants to be a partner for mutually beneficial cooperation. In short, from both political and economic perspectives, there are favorable conditions and a broad scope for increasing cooperation between China and the United States.

Clinton expressed satisfaction with the progress made in Sino-U.S. relations. He said: "U.S.-Chinese relations have now become closer. We are confident that those problems still pending for solution will be solved. Looking to the next century, prospects exist for the two countries to become good partners with each other." He pledged his efforts to continue to push relations between the two countries ahead in the right direction.

Jiang Zemin said: The Chinese Government has all along set great store by Sino-U.S. relations, and has hoped for friendship with the United States. China does not engage in an arms race, form military blocs, carry out expansion against foreign countries, or constitute a threat to U.S. security. On the contrary, China hopes to increase mutual trust, reduce trouble, develop cooperation, and refrain from confrontation [zeng jia xin ren jian shao ma fan fa zhan he zuo bu gao dui kang 1073 0502 0207 0117 3253 1421 1417 2123 4099 1455 0678 0155 0008 2269 1417 2123] with the United States. China abides by the principles laid out in the three Sino-U.S. joint communiques to promote the continuous development of Sino-U.S. relations.

Jiang Zemin said: It is our hope that the U.S. Government will also pursue a policy of friendship with China. A new constructive relationship should—and it is entirely possible to do so—be established between China and the United States. We may together establish the following major principles on the basis of the three joint communiques signed by the two countries: 1. The two sides should develop bilateral relations from a broader and long-term point of view, with the world situation in

mind and the 21st century in perspective; 2. The two sides should mutually take into account each other's national conditions and respect each other's choice, move away from the influence caused by the differences between the two countries in ideology and social systems, and tackle all problems in bilateral relations in the spirit of friendship; 3. The two sides should push bilateral economic cooperation toward an all-round development by utilizing the respective advantages and characteristics of each other's economies on the basis of equality and mutual benefit. 4. The two sides should strengthen mutual consultation and cooperation in international affairs and within international organizations and cooperate with one another over such affairs as the settlement of international problems in "hot spots," efforts to stop the proliferation of weapons of mass destruction, environmental protection, and the fight against drugs, terrorism, smuggling, and other social problems; and 5. The two sides should increase visits and exchanges, particularly the exchange of high-level visits and contacts.

Clinton said he agreed with the principles proposed by Jiang Zemin for the guidance of relations between the two countries, adding the United States has similar considerations. He said the two countries have to further develop economic and trade ties that are of mutual benefit, foster mutual trust, tackle differences in the spirit of friendship, and engage in cooperation in solving some global issues.

On the Taiwan issue, Jiang Zemin said: As the issue is related to the sovereignty, territorial integrity, and the great cause of the reunification of the Chinese nation, it is a fundamental issue of principle for the Chinese Government and people. Any stirring of the grass [feng chui cao dong 7364 0706 5430 0520] on the issue will directly affect the feeling of the 1.2 billion Chinese people. It is for the purpose of resolving the issue through peaceful means that the Chinese Government has formulated the policy of "peaceful reunification and one country, two systems." If the Taiwan authorities pursue the policy of "Taiwan independence," and in the event of foreign intervention that would result in a turbulent situation in the Taiwan strait, we will by no means just sit and tolerate it.

Clinton said that the United States will continue to adhere to the principles laid down in the three Sino-U.S. joint communiques, and will continue to follow the one-China policy.

On the issue of human rights, Jiang Zemin pointed out: The Chinese Government attaches great importance to the issue of human rights and is making unremitting efforts to ensure that the Chinese people enjoy all rights in the broadest possible sense. What China needs is stability, without which nothing can be achieved. Without stability, the cause of reform and opening-up would be damaged, economic construction could not continue, and even the survival of thousands upon

thousands of people would be a problem. This would then become a serious human rights problem. We are willing to engage in dialogue on the issue of human rights with the United States on the basis of equality and mutual respect, so as to increase mutual understanding and remove misunderstanding.

Clinton said: "The decision I made in May of this year on the separation of the issue of human rights from the most-favored-nation treatment has proved correct. It conforms to the interests of both the American and Chinese people, and the decision has therefore won broad bipartisan support in Congress." Meanwhile, he expressed thanks over the resumption of dialogue between the two countries on the issue of human rights.

The two sides also exchanged views on other international and regional issues.

Qian Qichen, vice premier and foreign minister; Zeng Qinghong, special assistant to the president; Wu Yi, minister of foreign trade and economic cooperation; and Vice Foreign Minister Liu Huaqiu were present at the meeting.

Present at the meeting on the U.S. side were Secretary of State Christopher, Secretary of Commerce Brown, White House Trade Representative Kantor, Lake, assistant to the president for national security affairs; Burger, deputy assistant to the president for national security affairs; Assistant Secretary of State Lord; and Stapleton Roy, U.S. ambassador to China.

Wu Yi Meets Secretary Brown

OW1211103794 Beijing XINHUA in English 1023
GMT 12 Nov 94

[FBIS Transcribed Text] Jakarta, November 11 (XINHUA)—China will not change its position that it is a developing nation and should have such status when re-entering the General Agreement on Tariffs and Trade (GATT), Chinese Foreign Trade and Economic Cooperation Minister Wu Yi said today.

Wu made the remark during a meeting with U.S. Secretary of Commerce Ronald Brown in Jakarta late on Friday [11 November].

Speaking to reporters after the meeting, Brown described their meeting as "positive" and "good".

He said China and the U.S. will continue to negotiate on a wide range of issues, including the resumption of China's GATT status.

The two ministers are attending the sixth ministerial meeting of the Asia Pacific Economic Cooperation (APEC) Forum, which opened today and will end on Saturday.

Wu and Brown discussed a wide range of bilateral trade issues, diplomatic sources said.

The Chinese minister told Brown that it is an "undeniable fact" that China is still a developing country, and all its commitments in the negotiations for re-entering GATT should be based on this point.

She expressed her hope that the U.S. side would "resolve the issue properly" with a view to long term interests.

Brown told Wu that there are indeed some difficult issues to be resolved in Sino-U.S. trade relations, but stressed that "major progress" has been made.

He said that China has made progress in strengthening its implementation of the intellectual property rights protection law.

Stresses Developing-Country Status

OW1311005894 Beijing XINHUA Domestic Service in Chinese 0536 GMT 12 Nov 94

[By reporter Yuan Bingzhong (5913 3521 1813)]

[FBIS Translated Text] Jakarta, 12 Nov (XINHUA)—Wu Yi, minister of foreign trade and economic cooperation, who was here to attend the sixth ministerial meeting of the Asia-Pacific Economic Cooperation [APEC] forum, met with U.S. Secretary of Commerce Ronald Brown at the Jakarta International Conference Center on 11 November. They exchanged views on a wide range of issues concerning further strengthening bilateral trade and economic relations.

During the meeting, Brown said: There are indeed some difficult issues to be solved in Sino-U.S. trade relations, but major progress has been made in a wide range of areas. He also maintained that China has made progress in strengthening its enforcement of the law on protecting intellectual property rights.

At the meeting, Wu Yi emphatically spoke on the issue concerning China's reentry into GATT, and stressed that China is firm on its position of maintaining its negotiating status as a developing country; there is absolutely no room for compromise [jue dui mei you tuo xie de yu di 0414 1417 3093 2589 1185 0589 4104 0151 0966]. Wu Yi noted: It is an undeniable fact that China is a developing country, which also serves as the basis for the negotiations on China's reentry into GATT; without this basis, it would be impossible to conclude the negotiations for China's reentry into GATT [mei you zhe ge ji chu jiu bu ke neng wan cheng fu guan tan pan 3093 2589 6638 0020 1015 4342 1432 0008 0668 5174 1346 2052 1788 7070 6151 0445]. The U.S. should proceed from this basic reality and resolve this issue properly in terms of strategic, long-term interests.

During their talks, both of them promised to further improve the Sino-U.S. Joint Economic and Trade Committee, so that it will become an important means to promote the development of bilateral trade and economic ties.

Speaking to reporters after the meeting, Brown described his meeting with Minister Wu as "positive" and "constructive." He also revealed that the U.S. and China will continue their consultations on a series of issues concerning China's reentry into GATT.

Wu Yi Meets Kantor

OW1311154994 Beijing XINHUA Domestic Service in Chinese 1516 GMT 13 Nov 94

[By Yuan Bingzhong (5913 3521 1813)]

[FBIS Translated Text] Jakarta, 13 Nov (XINHUA)—Chinese Minister of Foreign Trade and Economic Cooperation Wu Yi held three hours of talks with U.S. trade talks representative Kantor here today. Both sides discussed issues on bilateral trade and restoration of China's membership in the GATT.

Wu Yi held the talks with Kantor after attending the the sixth ministerial meeting of Asia-Pacific Economic Cooperation. Following the conclusion of the talks, Wu Yi, in answering a reporter's question, said it is now time to solve the issue of restoring China's membership in GATT.

She said: During the talks, both sides reviewed bilateral consultations held between China and the United States in recent years on the issue of restoring China's membership in GATT and focused on the discussion of major issues awaiting solution, such as the unification of the foreign trade system, foreign trade operation rights, intellectual property rights, and market access. Both sides also exchanged views on the implementation of the Sino-U.S. memorandum on intellectual property rights signed in 1992.

Wu Yi stressed: The main purpose of restoring China's membership in GATT is to meet its needs in reform and opening to the outside world and to link its economy with that of the world. China has done its best to achieve this end. China adopts a resolute attitude toward the issue of returning to GATT and a very flexible measure [cuo shi shi shi fen ling huo di 2238 2457 2508 0577 0433 7227 3172 4104] in connection with this issue, but China will never sacrifice its fundamental interests for the sake of returning to GATT.

Both sides have agreed that China and the United States will hold a new round of negotiations in Geneva in December this year on the issue of restoring China's membership in GATT. They also hope that the negotiations will be successful.

Daily Analyzes U.S. Midterm Elections

HK1111090094 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 10 Nov 94 p 6

["Special article" by Si Wen (1835 2429): "Brief Analysis of U.S. Midterm Elections"]

[FBIS Translated Text] In the U.S. midterm elections on 8 November, the Republican Party has won an overall victory. By increasing its number of Senate seats from 44 to 52 and its House seats from 178 to 229, it has regained control of Congress for the first time in 40 years. In the elections of 36 state governors, the Republican Party has taken 11 state governorships from the Democratic Party and has thus captured 31 of the 50 states in the country.

Since 1934, the ruling power has always lost congressional seats in midterm elections. Before the election, public opinion generally held that it would be no problem for the Republican Party to win a majority in the Senate and take most of the governorships but it would be unrealistic to win control of the House because this would make it necessary to win 40 seats. But what seemed unrealistic has become a reality and thus we can see the voters' strong dissatisfaction with the ruling Democratic Party.

However, this setback for the Democratic Party does not mean that the Republican Party is favored. An extensive opinion poll has discovered that an increasing number of Americans are disillusioned with Bill Clinton, are uncertain about the Republican Party, and are ready to support the establishing of a new political party. Republican Party adviser, William (?MacKintosh) [mai jin te fu 7796 6855 3676 1133] said that "this has not been a good year for the Republican Party and by chance we have benefited from the voters' sentiments" because voters' sentiments are traditionally opposed to the incumbents.

Why is the Democratic Party government, which has been in power for only two years, opposed by voters?

First, the voters have not benefited from economic growth. The current U.S. economic growth is considered "growth without increased employment opportunities." The unemployment rate still hovers at 6 percent and the actual incomes of most people have dropped. A considerable number of voters are disappointed and even doubt the ability of the Clinton administration to tackle the economic issues.

When the Republican Party was in power, Congress, dominated by the Democratic Party, created difficulties for the White House on numerous occasions. After the Democratic Party took office, Clinton promised to change the deadlock situation in Congress but the situation has not improved much. An opinion poll shows that 64 percent of voters hold that the wrangling between the executive and legislative branches is a serious issue. The occasional scandals created by some congressmen who have deliberately broken the law have aroused strong resentment among voters.

During the election campaign, Clinton promised to reform the medical health care system and the social welfare system but Congress has postponed the deliberations on the two bills. Due to the constraints produced by the present elections, the two bills are likely to be

abandoned. With yet another unfulfilled promise, voters' disappointment will undoubtedly increase. Moreover, more than two-thirds of Americans held that the collapse of "traditional values" has resulted in deteriorating public order, dramatically rising juvenile delinquency, and an increasing number of unmarried pregnant girls. The "crisis of values" has endangered the future of U.S. society for which the government should be held responsible.

Given that Americans are increasingly looking inward, domestic issues are dominating the sentiments of voters. Therefore, although the Clinton administration has repeatedly scored diplomatically in recent months, it could not turn the tide in its favor.

It should be pointed out that in the present elections more Democratic than Republican Congressmen announced that they would not seek reelection. Even some long-serving Democratic Congressmen who are sure to win have also withdrawn from the race. The re-division of some constituencies has wrought changes to the traditionally Democratic House seats. Without doubt, these are very unfavorable to the Democratic Party.

Northeast Asia

Tianjin, Japanese Matsushita Sign Television Protocol

SK1011072494 Tianjin People's Radio in Mandarin
1000 GMT 9 Nov 94

[FBIS Translated Text] The ceremony to sign the television equipment protocol by the Tianjin Municipal Broadcasting and Television Bureau and the Matsushita Electronics Industrial Corporation in Japan and the ceremony to present television equipment by the Japanese Matsushita Electronics Industrial Corporation to the organizing committee for the 43d World Table Tennis Championships were held on 9 November.

Before the signing ceremony, Li Jianguo, deputy secretary of the Tianjin Municipal Party Committee and vice chairman of the organizing committee for the 43d World Table Tennis Championships, and Xu Yinsheng, vice minister of the State Physical Culture and Sports Commission, met with (Murase Miyayama), deputy president of the Matsushita Electronics Industrial Corporation, and his entourage.

To help the International Press Center of the Tianjin Broadcasting and Television Bureau successfully fulfill the broadcasting task during the 43d World Table Tennis Championships, the Matsushita Electronics Industrial Corporation has decided to present television equipment to Tianjin. At the signing ceremony, the agreement on the details of the project of ordering Matsushita equipment by the Tianjin Broadcasting and Television Bureau was also signed.

During the reception, Li Jianguo said: Matsushita's presentation this time shows that successfully running the 43d World Table Tennis Championships is the common aspiration of both China and Japan. Here, I would like to express thanks on behalf of the Tianjin Municipal People's Government and the organizing committee for the 43d World Table Tennis Championships.

Mr. (Murase Miyayama) said: I am very happy to hold the signing ceremony today. I sincerely hope that Tianjin will successfully host the 43d World Table Tennis Championships. The Matsushita Electronics Industrial Corporation will further expand the cooperation with Tianjin beginning from the signing of this protocol.

CPPCC Official Meets Japanese Delegation

OW1111121194 Beijing XINHUA in English 1119
GMT 11 Nov 94

[FBIS Transcribed Text] Beijing, November 11 (XINHUA)—Zhao Puchu, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), met with Sanada Kozo, director of the Hiroshima Peace and Culture Center of Japan, and his party here today.

Zhao, also honorary chairman of the Chinese People's Association for Peace and Disarmament (CPAPS), hosted a dinner for the Japanese visitors after the meeting.

Sanada and his party arrived here yesterday as CPAPS' guests. Apart from Beijing, they are to visit Nanjing and Shanghai.

Sichuan Completes Sino-Japanese Afforestation Program

OW1111043094 Beijing XINHUA in English 0349
GMT 11 Nov 94

[FBIS Transcribed Text] Chengdu, November 11 (XINHUA)—A Sino-Japanese pilot afforestation program has been completed in southwest China's Sichuan Province.

Jointly financed by Maoxian County in Sichuan and Hiroshima City in Japan, the program covers 1,500 ha and is located in an arid river valley in Fangxian County on the lower reaches of the Minjiang River.

The Chinese and Japanese partners launched the pilot program in 1992. They originally planned to accomplish it in 1996, according to local afforestation officials.

DPRK Rejects Proposed 'North-South' Economic Ties

OW1111011194 Beijing XINHUA in English 1752
GMT 10 Nov 94

[FBIS Transcribed Text] Pyongyang, November 10 (XINHUA)—The Democratic People's Republic of Korea (DPRK) today rejected a proposal by South Korea

for economic cooperation between the North and South, and urged Seoul to scrap its "National Security Law."

A spokesman for the Committee for the Peaceful Reunification of the Fatherland said the South Korean proposal contained "nothing new," and South Korea should first of all abolish its "National Security Law" which had blocked normal contacts between the people of the North and South.

The spokesman's statement came after South Korean President Kim Yong-sam put forward on November 7 a proposal for South-North economic cooperation, which was aimed at "opening an era of reconciliation and cooperation between the South and North."

Critical of President Kim's cooperation offer, the DPRK spokesman said that the North and South sides on the Korean peninsula signed in early 1992 an agreement on cooperation in the economic and social spheres and both sides had, to this end, established a joint committee on economic, social and cultural affairs.

But the agreement had never been implemented, for which South Korea should be held responsible, he said.

The spokesman noted that the North-South relations had been seriously worsened due to South Korea's military exercises with the U.S. and its sanctions against the DPRK on the pretext of the so-called nuclear issue of the North.

South Korea should take convincing actions to prove it had changed its attitude and, first of all, repeal its "National Security Law" which was hostile to the DPRK, the spokesman added.

ROK Premier Meets Visiting Beijing Mayor

OW1411051294 Beijing XINHUA Domestic Service in Chinese 1643 GMT 12 Nov 94

[By reporter Zhang Zhongyi (1728 1813 5030): "(For the Exclusive Use by Media in Beijing Municipality)—ROK Prime Minister Meets Mayor Li Qiyang"]

[FBIS Translated Text] Seoul, 12 Nov (XINHUA)—During his meeting with visiting Beijing Mayor Li Qiyang here, ROK Prime Minister Yi Yong-tok said that the ROK Government will actively support Seoul City and Beijing Municipality in developing friendly relations and cooperation.

Yi Yong-tok said that Chinese Premier Li Peng has successfully visited the ROK and promoted friendly relations between the peoples of the two countries recently. He expressed his belief that Mayor Li Qiyang's visit and the "Beijing Week" activities in Seoul will surely promote friendly exchanges between the two cities in all fields.

Li Qiyang said: It has not been long since China and the ROK established diplomatic relations. Since then, their relations have been growing very rapidly. Since Beijing

Municipality and Seoul City formed friendship ties, the two sides have carried out comprehensive exchanges and cooperation in economic and cultural fields. Li Qiyang was convinced that the current "Beijing Week" activities in Seoul will bring the relations between the two cities even closer.

The 15-member Beijing Municipal Government delegation arrived here on 10 November to attend activities marking the first anniversary of the establishment of friendship between Beijing and Seoul. A 250-member economic and trade delegation, accompanying the municipal government delegation, has held a trade fair and a Beijing photo exhibition here. An art troupe from Beijing has performed Beijing opera here.

Trade Union President Meets, Fetes ROK Counterpart

OW1411111594 Beijing XINHUA in English 1058 GMT 14 Nov 94

[FBIS Transcribed Text] Beijing, November 14 (XINHUA)—President Wei Jianxing of the All-China Federation of Trade Unions (ACFTU) met with Pak Chong-kun, president of the Federation of Korean Trade Unions (FKTU), and his party here today.

Wei exchanged views with Pak on the friendly contacts and cooperation between the two organizations.

Founded in 1946, the FKTU has a membership of 1.93 million and is the sole legal national trade union organization in the Republic of Korea (ROK).

The three-member delegation arrived in China on November 11 as ACFTU's guest. The visit is designed to enhance mutual understanding and friendship, ACFTU sources said.

After the meeting, Wei hosted a banquet for the ROK visitors.

Southeast Asia & Pacific

Jiang Zemin Continues Visit to Southeast Asia

Meets Embassy Staff in Singapore

OW1011112394 Beijing XINHUA Domestic Service in Chinese 1239 GMT 9 Nov 94

[By reporters Wei Guoqiang (7614 0948 1730) and Zeng Hu (2582 5706)]

[FBIS Translated Text] Singapore, 9 Nov (XINHUA)—Visiting Chinese President Jiang Zemin cordially received Chinese embassy staff and representatives of other Chinese organizations here this afternoon in the hotel where he is staying. A group photo was taken to mark the occasion.

Jiang Zemin briefed them on the situation of reform, opening up, and the establishment of a socialist market

economy at home. He said: We are in a stage of development and progress. Some difficulties do exist, but our future is bright. He encouraged them to continue to do their work well and to learn from the Singaporean people.

After the meeting, Jiang Zemin specially called on and gave his regards to Ambassador Yang Wenchang's wife, Meng Huifang, who is [word indistinct].

Meets Singapore Prime Minister

OW1011113094 Beijing XINHUA Domestic Service in Chinese 1002 GMT 9 Nov 94

[By reporters Wei Guoqiang (7614 0948 1730), Zeng Hu (2582 5706), and Duan Jiyong (3008 0679 0516)]

[FBIS Translated Text] Singapore, November 9 (XINHUA)—Chinese President Jiang Zemin held a cordial and friendly meeting with Singapore Prime Minister Goh Chok Tong this morning at the Istana Negara, the Singapore presidential palace.

At the meeting, President Jiang Zemin said: "I am very pleased to visit beautiful Singapore, the first stop during my current tour of four Southeast Asian nations. I am deeply impressed with the warm welcome and hospitality accorded by the Singapore Government and people, as well as Singapore's development."

Speaking on China-Singapore relations, Jiang Zemin said: Bilateral relations have been developing smoothly since the two countries established diplomatic ties four years ago. The exchanges between the two countries' leaders have enhanced mutual understanding and trust [zeng jin le xiang hu liao jie he xin ren 1073 6602 0055 4161 0062 0055 6043 0735 0207 0117]. The two countries have made comprehensive progress in their cooperation in various fields. In recent years, bilateral economic and trade relations have developed rapidly and Singapore enterprises' investment in China has continued to increase. In February this year, Your Excellency Mr. Prime Minister visited China, and the Chinese and Singaporean Governments signed an agreement on cooperation in establishing Suzhou Industrial Park. We also hope to strengthen our cooperation with Singapore in other fields. For example, in the science and technology field, China has a sizable contingent of scientists who have made numerous advanced achievements in many areas of basic research, while Singapore has the conditions for and experience in turning scientific research into commodities. The two countries will both benefit from strengthening their cooperation in this area. In short, the Chinese and Singapore economies are highly complementary other and possess tremendous potential for cooperation.

Regarding the Asia-Pacific Economic Cooperation [APEC] forum's informal leadership meeting, Jiang Zemin said: China attaches importance to APEC's role

and hopes the organization will play a positive role in promoting economic cooperation to achieving common prosperity in the region.

Jiang Zemin pointed out: China supports APEC making trade liberalization in the Asia Pacific region its long-term goal, and supports discussions on timetables for realizing such a goal. The economic, social, and cultural diversity among its members has been an outstanding feature of APEC. Therefore, regional economic cooperation should proceed from this reality, taking the interests of all sides into consideration, reaching unanimity through consultation, and making progress step and step. Meanwhile, the meeting also needs to reach a consensus on the contents and basic principles for realizing regional trade liberalization, including the granting of stable and unconditional most-favored-nation treatment among APEC members. This will be favorable to quickening regional trade liberalization.

Prime Minister Goh Chok Tong said: Singapore is in favor of applying different timetables for APEC members who are at different stages of development, and maintains that the informal APEC leadership meeting should first focus its efforts on establishing the principles of trade liberalization.

Present at the meeting were Qian Qichen, vice premier and minister of foreign affairs; Wen Jiabao, alternate member and member of the CPC Central Committee Political Bureau Secretariat; Zeng Qinghong, special assistant; Wang Zhongyu, minister of state in charge of the Economic and Trade Commission; Wu Yi, minister of foreign trade and economic cooperation; Wang Weicheng and Shu Huaide, special assistants; Tang Jiaxuan, vice minister of foreign affairs; and Yang Wenchang, Chinese ambassador to Singapore.

Singaporean participants included Deputy Prime Minister Lee Hsien Loong; Foreign Affairs Minister Shunmugam Jayakumar; Trade and Industry Minister Yeo Cheow Tong; and Ambassador to China Cheng Tong Fatt.

Jiang Views Sino-Singaporean Ties

OW1111041994 Beijing XINHUA Domestic Service in Chinese 1614 GMT 9 Nov 94

[By reporters Wei Guoqiang (7614 0948 1730), Ceng Hu (2582 5706), and Duan Jiyong (3008 0679 0516)]

[FBIS Translated Text] Singapore, 9 Nov (XINHUA)—Singaporean President Ong Teng Cheong held a banquet at the Presidential Palace this evening to extend lavish hospitality to PRC President Jiang Zemin, who is on a state visit to Singapore.

Speaking during a toast, Ong Teng Cheong expressed his welcome to President Jiang Zemin on the latter's ongoing visit. He then highly commended China for its achievements in implementing its policies of reform and opening up.

Ong Teng Cheong said: China has made considerable progress in its economic reforms. The Chinese people are enjoying living standards that could only be dreamed about by the older generation. It is beneficial to Asia and the world that China is able to successfully handle arduous challenges while developing its economy as China's economic progress enhances global economic growth.

Commenting on relations between Singapore and China, Ong Teng Cheong said: Sino-Singaporean economic ties are expanding. In the first nine months of 1994, the value of Sino-Singaporean bilateral trade reached \$3.8 billion, up 12.5 percent over the same period of 1993. Singapore is currently China's fifth largest foreign investor, with over 3,800 projects worth \$6.8 billion. He also spoke highly of Singaporean-Chinese joint-venture projects, including the Singaporean-Suzhou Industrial Park and Singaporean-Shandong economic joint-venture projects.

Commenting on regional and international issues, Ong Teng Cheong said: Dialogue and consultation provided by the Association of Southeast Asian Nations' [ASEAN] regional forum have been conducive to reducing the instability following the end of the Cold War.

He said: The Asia-Pacific Economic Cooperation [APEC] organization stresses the liberalization of trade and investment as well as cooperation. Such moves will be conducive to Asia-Pacific regional development. He expressed his belief that the upcoming informal APEC summit to be held in Indonesia will produce a historic opportunity in this regard.

Ong Teng Cheong also highly commended China for actively participating in the ASEAN regional forum and the APEC and for facilitating peace and economic progress in the region.

At the beginning of his thank-you speech, Jiang Zemin expressed his gratitude for the lavish hospitality extended by the Singaporean Government and people.

Jiang Zemin highly commended Singapore's various changes since his last visit to Singapore in 1980, hailing Singapore as a prosperous and very resilient country. He said: "What is more commendable is that the Singaporean people are not satisfied with their current accomplishments, but are always seeking and continually attaining new achievements. As a friendly neighbor, we are sincerely pleased with your results."

Jiang Zemin said: "While the international situation is undergoing profound and complex changes, Asia is rising in the east. Various countries in the region have gradually fostered closer relations; have been sustaining high economic growth; and have more actively carried out economic cooperation in various fields. Seizing the rare historic opportunity, Asian countries are striving to invigorate their nations and to enrich and strengthen their countries. Asian civilizations, which propelled the

history of mankind in the past, will, once again, add new glories to facilitating the progress of mankind's new century."

He said: China has undergone profound changes since implementing the policies of reform and opening up in the past 16 years. China has attained a sustained, rapid, and healthy development in its economy. The Chinese people have considerably improved their living standards and are enjoying political stability, social progress, and national unity. Since the beginning of 1994, China has made decisive strides toward establishing a socialist market economy. It has successfully implemented a series of new measures to reform various fields, including finance, taxation, money, price, foreign exchange, foreign trade, and the enterprise system, and have effectively enhanced its macroeconomic regulation and control. Naturally, we have also encountered some difficulties and problems while progressing forward, but we have the confidence and ability to resolve them and continually push forward our reform, opening up, and modernization drive.

He said: China and Singapore opened a new chapter in the history of bilateral relations in 1990 when they established diplomatic ties. Since then, they have comprehensively and rapidly developed friendly cooperation in various fields. The two countries have increased scientific, technological, and cultural exchanges; have expanded bilateral trade over the years; and have attained remarkable accomplishments in investments and joint-ventures. In February 1994, the Chinese and Singaporean governments signed an agreement to jointly develop the Singaporean-Suzhou Industrial Park, thereby beginning a new aspect of economic cooperation between the two countries.

Jiang Zemin said: China and Singapore have maintained extensive common understanding and have closely coordinated with each other in regional and global affairs. Friendly relations between China and Singapore not only conform with common aspirations and fundamental interests of the two peoples, but also contribute to peace, stability, and prosperity of the region. He expressed his belief that with joint efforts from both sides, friendly relations and cooperation between the two countries will definitely continue to grow further both in depth and in scope.

Qian Qichen, vice premier of the Chinese State Council and Foreign Minister attended the banquet on invitation.

Other Singaporean leaders attending the banquet were Singaporean Senior Minister Lee Kuan Yew; Prime Minister Goh Chok Tong; and Lee Hsieng Loong, deputy prime minister and head of the Singaporean reception group.

Jiang Arrives in Malaysia

OW1111141094 Beijing XINHUA Domestic Service in Chinese 1220 GMT 10 Nov 94

[By reporters Ding Baozhong (0002 1405 1813), Wei Guoqiang (7614 0948 1730), and Duan Jiyong (3008 0679 0516)]

[FBIS Translated Text] Kuala Lumpur, 10 Nov (XINHUA)—At Malaysian Paramount Ruler Tuanku Ja'afar's invitation, PRC President Jiang Zemin arrived here today by special plane from Singapore for a four-day state visit to Malaysia.

After the special plane carrying Jiang Zemin landed at the international airport in Kuala Lumpur at 1600 [0800 GMT], Omar Din [name as transliterated], chief of protocol at the Malaysian Foreign Ministry, and Chinese Ambassador to Malaysia Qian Jinchang boarded the airplane to greet President Jiang Zemin. As Jiang Zemin left his special plane, Malaysian Foreign Minister Abdullah Haji Ahmad Badawi, who was waiting by the ramp, stepped forward to warmly shake his hand. A young woman presented a bouquet of flowers to Jiang Zemin.

In the airport's VIP room, Jiang Zemin was warmly welcomed by Haji Anuar bin Musa, chief of the Malaysian reception team and Malaysian rural development minister, and Malaysian Ambassador to China Dato Noor Adlan Yahayauddin.

In a written statement on his arrival at the airport, Jiang Zemin said that he was very glad to be invited to pay a state visit to the beautiful country of Malaysia. He said: The Chinese and Malaysian peoples enjoy a long-standing traditional friendship. Relations between the two countries have reached a new stage in recent years. Bilateral friendly relations and cooperation in the political, economic, cultural, and other fields have been fruitful and show broad prospects.

Jiang Zemin said that during the visit, he would hold an in-depth exchange of views with Malaysian leaders on bilateral relations, as well as regional and international issues of common interest. He said that he would also have an opportunity to meet people in various circles.

Jiang Zemin said: "Through this visit, I sincerely hope that we will deepen mutual understanding and friendship, further expand bilateral cooperation, and work to maintain regional peace and stability and to promote regional economic cooperation."

Also arriving on the same airplane were Qian Qichen, State Council vice premier and foreign minister; Wen Jiabao, CPC Central Committee Political Bureau alternate member and Secretariat member; special assistant Zeng Qinghong; Wang Zhongyu, minister in charge of the State Economic and Trade Commission; Wu Yi, foreign trade and economic cooperation minister; special assistants Wang Weicheng and Shu Huaide; and

Vice Foreign Minister Tang Jiaxuan. They are accompanying Jiang Zemin on his trip.

King Hosts Banquet

OW1111145194 Beijing XINHUA Domestic Service in Chinese 1647 GMT 10 Nov 94

[By reporters Wei Guoqiang (7614 0948 1730), Ding Baozhong (0002 1405 1813), and Duan Jiyong (3008 0679 0516)]

[FBIS Translated Text] Kuala Lumpur, 10 Nov (XINHUA)—Malaysian Paramount Ruler Tuanku Ja'afar hosted a grand banquet at the State Palace this evening in honor of visiting PRC President Jiang Zemin.

The State Palace in southern Kuala Lumpur was ablaze with lights this evening. Tuanku Ja'afar stepped forward to welcome Jiang Zemin when the latter arrived at the palace. Afterward, Tuanku Ja'afar and his wife had a brief conversation with Jiang Zemin. Malaysian Prime Minister Mahathir bin Mohamed and his wife were present. As Jiang Zemin walked into the banquet hall in the company of the Malaysian paramount ruler, the prime minister, and their wives, a band played the Chinese and Malaysian National Anthems.

In his welcoming speech, Tuanku Ja'afar said: President Jiang Zemin's visit "has great significance in the history of Malaysian-Chinese relations." It heralds the dawn of a new era for friendly relations between the two countries.

Tuanku Ja'afar spoke highly of the development of Malaysian-Chinese relations, maintaining that there was vast potential for Malaysia and China to strengthen cooperation, and that the development of Malaysian-Chinese relations would benefit both sides and contribute to regional peace and stability. He said: Malaysia and China share a consensus on many regional and international issues. The two countries have cooperated closely at many international functions in safeguarding their common rights and interests, as well as the legitimate rights and interests of other developing countries. He said: The East Asian region is universally acknowledged as the hub of development in the next century, which is faced with challenges. Increased contact and consultation among the region's countries will contribute to regional prosperity and stability.

In his thank-you speech, Jiang Zemin spoke highly of Malaysia's achievements in economic construction. He said: Through unremitting efforts, the Malaysian Government and people have successfully charted an economic development course marked by "high growth and low inflation." They have scored achievements in national construction that have attracted international attention. Jiang Zemin wished the Malaysian people greater progress in the coming years.

After reviewing the traditional Sino-Malaysian friendship, Jiang Zemin said: Sino-Malaysian relations have developed in an all-round way in the 20 years since the

two established diplomatic relations. Especially in the past few years, the two countries have achieved remarkable results in friendly cooperation in various fields, and their people have further developed their friendship. China greatly admires the Malaysian Government's foresight and sagacity in developing relations with China. Jiang Zemin said: "My current visit to your country is to further enhance mutual understanding and trust, and to further deepen and broaden friendly relations and cooperation between China and Malaysia."

On international issues, Jiang Zemin said: The world today is undergoing a profound evolution as the trend toward multipolarity has strengthened noticeably and the general situation is evolving toward detente. The world is still full of contradictions and is not quite peaceful, however. Hegemonism and power politics persist, and the South-North gap is widening. Like people in the rest of the world, the Asian people have urgently called for building a new international political and economic order that is peaceful, equal, just, and rational.

He said: China and Malaysia are confronted with the common mission of safeguarding peace and developing their economies. The Chinese people are wholeheartedly engaged in the cause of reform, opening up, and modernization; and have made significant progress that is universally acknowledged. He said: Our purpose is to let our people lead a fairly comfortable life by the turn of this century, and achieve the living standards of a moderately developed country by the middle of the next century. For this reason, China badly needs an environment of long-term peace and stability in its vicinity and in the international community. The Chinese Government will work steadfastly and tirelessly to safeguard peace and stability in the region and the world at large.

Jiang Zemin spoke highly of the extremely positive role played by the Malaysian Government in international affairs: safeguarding peace and justice in the interests of developing countries. He said: As the old century is giving way to the new, China is willing to work with Malaysia and other Asian countries to bring a peaceful, stable, prosperous, and developed Asia into the 21st century.

Attending the State Palace meeting and banquet this evening were Chinese officials traveling with Jiang Zemin: Wen Jiabao, CPC Central Committee Political Bureau alternate member and Secretariat member; Zeng Qinghong, special assistant; Wang Zhongyu, minister in charge of the State Economic and Trade Commission; Wang Weicheng and Shu Huaide, special assistants; Tang Jiaxuan, vice foreign minister; and Qian Jinchang, Chinese ambassador to Malaysia. Malaysian officials in attendance were Zahir Ismail, House of Representatives speaker; Abdullah bin Haji Ahmad Badawi, foreign minister; Haji Anuar bin Musa, rural development minister; Ling Liong Sik, transport minister; Napsiah binti Haji Omar, national unity and community development minister; and many cabinet members, renowned business people, and noted public figures.

Jiang, Mahathir Hold Talks

OW1111074694 Beijing XINHUA in English 0713
GMT 11 Nov 94

[FBIS Transcribed Text] Kuala Lumpur, November 11 (XINHUA)—Chinese President Jiang Zemin and Malaysian Prime Minister Mahathir Mohamed held talks here today on bilateral relations as well as regional and international issues of common concern.

During the talks, Jiang Zemin said "economic cooperation constitutes the foundation of Sino-Malaysian relations" and expressed satisfaction over the "good momentum" of the development of such relations.

He said economic and trade cooperation between the two countries has been developing rapidly, with bilateral trade maintaining a two digit growth for six successive years, the fastest growth rate in trade between China and any member of the ASEAN.

Jiang said the economies of the two countries, each with its own advantages, are highly complementary to each other.

He expressed the hope that the two sides will join hands to extend their cooperation to cover more areas and to a higher level.

He listed three aspects in which the two countries can continue to make efforts to further bilateral ties:

- Maintaining exchange of visits at high level and increasing interchanges between people of various circles of the two countries;
- Accelerating bilateral cooperation and interflow in the fields of economy and trade and other fields;
- Strengthening cooperation in regional and international affairs.

During the talks, Mahathir said he believes that cooperation between Malaysia and China not only benefits Malaysia but will also greatly enhance cooperation and development in East Asia.

He said the whole country of Malaysia attaches great importance to Jiang's current visit.

He expressed the hope that the trip will give impetus to the all-round development of the friendly ties between the two countries.

Further on Ties

OW1211105794 Beijing XINHUA Domestic Service in Chinese 1143 GMT 11 Nov 94

[By reporters Wei Guoqiang (7614 0948 1730), Ding Baozhong (0002 1405 1813), and Duan Jiyong (3008 0679 0518)]

[FBIS Translated Text] Kuala Lumpur, 12 Nov (XINHUA)—On the morning of 11 November, during their

friendly talks at the prime minister's official residence, Chinese President Jiang Zemin and Malaysian Prime Minister Mohamed Mahathir exchanged views and achieved broad agreement on bilateral relations and regional and international issues.

During the talks, they spoke highly of the rapid development in every aspect of their friendly relations since the two countries established diplomatic ties 20 years ago. Jiang Zemin said: Frequent exchanges between leaders of the two countries have provided a strong motive force for the development of bilateral relations. Prime Minister Mahathir has visited China three times and has made positive contributions to increasing mutual understanding and trust and promoting bilateral friendship and cooperation.

Jiang Zemin pointed out: China and Malaysia can continue their efforts in three aspects, namely: maintaining the exchange of visits at the highest level and increasing interchanges between people of various circles of the two countries to promote mutual understanding and trust; promoting bilateral cooperation and exchanges in the fields of economics and trade and other fields; and strengthening cooperation in regional and international affairs.

Mahathir expressed approval of Jiang Zemin's appraisal and proposal on bilateral relations. He said: President Jiang Zemin's visit to Malaysia on the occasion of the 20th anniversary of the establishment of Sino-Malaysian diplomatic ties is of great significance. Our entire nation attaches great importance to this visit and expects it to give impetus to the all-round development of the long-standing friendly exchanges between the two countries. Mahathir expressed the belief that cooperation between Malaysia and China not only benefits Malaysia but will also greatly enhance cooperation and development in East Asia.

Jiang Zemin said: Economic and trade cooperation between the two countries has been developing rapidly and with remarkable results in the past few years, and their bilateral trade has maintained a two digit growth for six successive years, the fastest growth rate in trade between China and ASEAN members. Jiang Zemin said the two countries also enjoy good momentum in bilateral investment.

Jiang Zemin pointed out: The economies of the two countries, each with its own advantages, are highly complementary to each other. They can learn from others' strong points to offset one's shortcomings. Economic cooperation constitutes the foundation of Sino-Malaysian relations. I hope that the two sides will join hands and extend their economic cooperation to cover more areas at a higher level.

On regional economic cooperation, Jiang Zemin said the Chinese Government attaches importance to regional economic cooperation, APEC, and the role of ASEAN countries in APEC, and it is ready for closer consultation

and cooperation with Malaysia within APEC. He said China appreciates and supports the proposal made by Prime Minister Mahathir for the establishment of the East Asia Economic Caucus [EAEC].

Mahathir said: Regional economic cooperation should practice open regionalism, and all countries concerned should take part in it on an equal footing. This is conducive to regional and inter-regional cooperation and peace. Mahathir expressed the belief that APEC should not become a rigid institution and that regional trade liberalization should have a clear conception and should not harm the interests of developing countries. He said: The establishment of the EAEC as proposed by Malaysia is aimed at enabling East Asian countries to exchange views on issues concerning the region and conduct dialogue, and at helping the region's least developed countries and bringing them along in their development.

Speaking on international issues, Jiang Zemin said: The movement toward multipolarization is accelerating in the contemporary world, and the dominant role of economic factors in international relations has become increasingly prominent. Promoting detente and seeking development have become the international situation's main current. However, hegemonism, marked primarily by intervention in other countries' internal affairs and power politics, is still very prominent. The world economy's development is also uneven, with the gap between North and South widening further. World peace and development still face severe challenges.

Mahathir agreed with Jiang Zemin. He said: The two countries share views on many issues. Closer cooperation between Malaysia and China in international and regional affairs benefits not only the two countries but also many other small- and medium-sized countries.

On the human rights issue, Mahathir said: Democracy should not be limited to a country's way of governing. It should be embodied in relations between countries. No country should impose its own ideas on other countries on the pretext of human rights.

Jiang Zemin said: On the basis of equality and mutual respect, China is willing to hold dialogue on the human rights issue with other countries concerned. However, the democratic system in each country should conform to its national traditions and specific conditions and should suit the level of economic development and culture and education. It is not a democratic practice at all, but one of power politics, for some country to impose its system on others.

On behalf of Premier Li Peng, Jiang Zemin extended an invitation for Mahathir to visit China again at any time convenient to him. Mahathir gladly accepted the invitation.

Present at the talks on the Chinese side were Wen Jiabao, alternate member of the Political Bureau and member of

the Secretariat of the CPC Central Committee; Zeng Qinghong, special assistant; Wang Zhongyu, State Economic and Trade Commission minister; Wang Weicheng, special assistant; Shu Huaide, special assistant; Tang Jiaxun, Foreign Minister; and Qian Jinchang, Chinese ambassador to Malaysia.

Present at the talks on the Malaysian side were Foreign Minister Abdullah Badawi; Transport Minister Ling Liong Sik; Primary Industries Minister Lim Keng Yaik; [name indistinct] Musa, Reception Committee chairman and rural development minister; Aihamed Kamile Jaafar [name as transliterated], Foreign Ministry secretary general; and Noor Adlan, Malaysian ambassador to China.

Discuss Regional Issues

OW1111091794 Beijing XINHUA in English 0906
GMT 11 Nov 94

[FBIS Transcribed Text] Kuala Lumpur, November 11 (XINHUA)—Visiting Chinese President Jiang Zemin and Malaysian Prime Minister Mahathir Mohamed shared views on a wide range of regional and international issues at their talks here today.

During the talks, President Jiang said China and Malaysia support each other in regional and international affairs and share extensive consensus.

He spoke highly of "the positive role" played by Malaysia in upholding justice and the interests of developing countries in international affairs.

Mahathir agreed. He said the two countries share views on many issues.

He said "closer cooperation between Malaysia and China benefits not only the two countries but also many other small and medium-sized countries."

On economic cooperation in the Asia and Pacific region, Jiang Zemin said the Chinese Government "attaches due importance to regional economic cooperation and the Asia and Pacific Economic Cooperation (APEC) Forum."

He also said the Chinese Government attaches importance to the role of ASEAN countries in APEC and is ready for closer consultation and cooperation with Malaysia within APEC.

"It will be beneficial to establish an economic forum with the participation of sovereign states of East Asia for dialogue, consultation and coordination on issues of common concern," Jiang said.

He expressed appreciation and support for the proposal made by Malaysia for the establishment of the East Asia Economic Caucus (EAEC).

During the talks, Mahathir said regional economic cooperation should be open and APEC should not become a rigid institution.

He also said regional trade liberalization "should have a clear conception and should not harm the interests of developing countries."

He said the establishment of the EAEC as proposed by Malaysia is aimed at enabling East Asian countries to exchange views on issues concerning the region and conduct dialogue, and at helping the region's least developed countries.

During the talks, the two leaders also exchanged views on issues of human rights and democracy.

Mahathir said democracy should be embodied in relations between countries and the practice of imposing one's own ideas on others by making use of the human rights issue should be opposed.

Jiang Zemin said the democratic system in each country should conform to its national traditions and specific conditions and should suit the level of economic development and culture and education.

He said it is not practice of democracy at all, but that of power politics, for some country to impose its system on others.

During the talks, the two leaders also exchanged views on the situation in war-torn Bosnia.

Jiang Views Regional Ties

OW1111135394 Beijing XINHUA Domestic Service in Chinese 0958 GMT 11 Nov 94

[FBIS Translated Text] Kuala Lumpur, 11 Nov (XINHUA)—PRC President Jiang Zemin, who is on a state visit to Malaysia, delivered an important address at the Shangri-La Hotel here today in which he gave a briefing on China's achievements in reform, opening up, and modernization; and specifically expounded China's views and positions on East Asian affairs.

Jiang Zemin said: In the 45 years since the founding of New China, the Chinese people have worked hard with an indomitable spirit to gradually turn a poor and backward Old China into a country that has achieved initial prosperity and is marching toward modernization. Since the introduction of reform and opening-up policies in the late seventies in particular, China has enjoyed sustained, rapid, and healthy economic development; and its people's lives have improved noticeably. At present, China enjoys political stability, social progress, and national unity; and its various undertakings are flourishing.

He said: "A decade or so ago, the chief architect of China's reform and opening-up policies, Deng Xiaoping, advanced, with foresight, the famous strategic concept for realizing China's modernization in 'three steps.' During the eighties, we attained the goal of doubling the gross national product [GNP] ahead of schedule. People of all nationalities in China are now working vigorously and creatively to initially establish a socialist market

economic system, quadruple the GNP, and achieve a fairly comfortable living standard by the turn of this century. Through several more decades of efforts, they hope to bring China's economy to the level of a moderately developed country by the middle of the next century, and fulfill the long-cherished national wish of building China into a modern country that is prosperous, strong, democratic, and civilized. We have found a development path consistent with China's conditions: The path of building socialism with Chinese characteristics. Looking ahead to our future, we are full of confidence."

Jiang Zemin pointed out: "World peace, national development, social progress, economic prosperity, and better lives represent the call of the times, as well as the universal demand of people in various countries. In our opinion, China, the largest developing country with over one-fifth of the world's population, will make a major contribution to the cause of human development and progress if it eliminates poverty and achieves modernization. China is an important factor for safeguarding world peace and stability. Its development means the strengthening of the forces of peace."

Jiang Zemin said: "Today's world is undergoing profound and complicated changes. On the one hand, multipolarity is evolving rapidly, economic factors are playing an increasingly prominent role in guiding international relations, and the advancement of detente and the pursuit of development have become the main trends in the current international situation. On the other hand, hegemonism and power politics persist, regional hot spots have arisen one after another, and the world is not quite peaceful. Quite a few countries and regions are still troubled by an endless stream of conflicts, upheavals, and economic woes. Nevertheless, the East Asian region enjoys relative political stability and sustained economic growth in the midst of changes on the international scene as it carries out all forms of increasingly brisk and wide-ranging international exchanges and cooperation at various levels. During this process, the ASEAN region has attracted attention with its economic vitality and ever-stronger role in international political and economic activities. As a friendly neighbor, we heartily rejoice at the ASEAN nations' achievements."

He said: "The differences of various Southeast Asian countries in social systems, development levels, histories and traditions, cultures, religious beliefs, and value concepts have not constituted obstacles to mutual understanding and cooperation on the basis of mutual benefit, but have made their exchanges and cooperation more colorful and vital. Facts have once again eloquently proven that so long as countries follow the Five Principles of Peaceful Coexistence, namely mutual respect for sovereignty and territorial integrity, mutual nonaggression, noninterference in other's internal affairs, equality and mutual benefits, and peaceful coexistence; they can bypass all kinds of differences and travel on the road of mutual respect, friendly contacts, and cooperation in development."

Jiang Zemin said: We are happy to see that, in the wake of rapid economic growth in East Asia, the call for strengthening regional cooperation has become louder and louder. "We favor the views of most countries in this region, namely: Regional economic cooperation at various levels should be open, not closed; should be mutually supportive and complementary instead of mutually exclusive; and should be vigorously promoted among developing countries instead of being conducted only with developed countries."

Jiang Zemin reiterated: "China respects and supports ASEAN's proposition of establishing a zone of peace, freedom, and neutrality in Southeast Asia and its wish to establish a nuclear-weapon free zone. We appreciate ASEAN's positive efforts in promoting regional peace and dialogues on security, and support and take part in various ASEAN forums in this respect. China has all along stood for the settlement of international disputes through peaceful negotiations and opposed the use of force or the threat of using force in international relations. As for some complicated international issues, we think it advisable to find practical solutions to them through friendly consultations and negotiations in the overall interests of maintaining peace and stability, and in the long-term interests of people of all the countries concerned while fully accommodating the interests of all the parties concerned. As for differences that cannot be solved immediately, the parties concerned should try to solve them for the time being and find common ground while reserving their differences without obstructing the development of normal state-to-state relations."

He emphatically said: "Strengthening good neighborly friendship and cooperation with her surrounding countries is an important part of China's foreign policy. China hopes to see a prosperous, stable, and flourishing Southeast Asia; and a stable and rapidly growing China also serves the interests of the Southeast Asian countries and people. We have established or restored normal relations with all countries in Southeast Asia. Two-way economic exchanges and cooperation have intensified with increased contacts and enhanced mutual understanding, trust, and friendship."

Jiang Zemin said: Loving peace is a fine tradition of the Chinese nation. China has been working hard to develop good-neighborly friendship and cooperation with surrounding countries. It is not based on expediency but follows the demand of the times. It is an inevitable choice based on the long-term interests of the Chinese people and people of various countries in this region. The Chinese people are willing to closely join hands with people in Southeast Asia and the world to jointly bring a world with peace, equality, cooperation, stability, and prosperity to a new era in mankind's history.

In his speech, Jiang Zemin expressed his deep gratitude to Malaysia for the warm reception given to him and members of his party. He said: "Over the past 20 and more years since the establishment of diplomatic relations between China and Malaysia, the two countries'

good-neighborly relations have been constantly enhanced. The bilateral cooperation is developing in an all-round way at different levels in various fields, and has entered a new developing period. We appreciate the important contributions to such cooperation made by Your Excellency Prime Minister Mahathir and other leaders of your country. The Chinese people are willing to make joint efforts with the Malaysian people to promote the further development of friendship and cooperation between the two countries and a more stable, peaceful, prosperous, and developed world."

Favors Open Regional Economic Ties

OW1111102994 Beijing XINHUA in English 1023
GMT 11 Nov 94

[FBIS Transcribed Text] Kuala Lumpur, November 11 (XINHUA)—Chinese President Jiang Zemin stressed here today that regional economic cooperation should be open, mutually supportive and complementary and called for further promotion of cooperation among developing countries.

Jiang made the remarks in an address to an audience of over 300 people at the Shangri-la Hotel here this afternoon. The event was organized by the Institute of Diplomacy and Foreign Relations of Malaysia, which is under the Prime Minister's Department.

Jiang pointed out that today "it is impossible for any country to develop its economy in self seclusion" as economies are increasingly inter-related and inter-dependent.

"The only viable way to economic growth and common prosperity is to vigorously conduct international cooperation, supply each other's needs and make up for one's deficiency by learning from others' strong points in accordance with the principle of equality and mutual benefit," he said.

But Jiang went on to say that "regional economic cooperation at various levels should be open, not closed; should be mutually supportive and complementary instead of mutually exclusive; and should not be conducted only with developed countries."

"Instead, cooperation among developing countries should be vigorously promoted," he added.

Talking about relations between China and the Association of Southeast Asian Nations (ASEAN), Jiang said "China hopes to see a prosperous, stable and flourishing Southeast Asia and a stable and rapidly growing China also serves the interests of the Southeast Asian countries and peoples."

"Two-way economic exchanges and cooperation have intensified with increased contacts and enhanced mutual understanding, trust and friendship," he said, adding that "people have increasingly realized the potential and prospects for mutually beneficial cooperation in the economic field between the two sides."

"China and the ASEAN countries also share extensive consensus on the maintenance of regional security and stability and have conducted fruitful cooperation in the peaceful settlement of some regional hot spot issues," the Chinese president continued.

He pointed out that "facts have proved that stronger ties between China and Southeast Asian countries based on the five principles of peaceful coexistence have not only benefited people in this region, but also contributed to peace and development in the region and the world as a whole."

Jiang also said that China supports ASEAN's proposition of establishing a zone of peace, freedom and neutrality in Southeast Asia and its wish to establish a nuclear weapon free zone.

"We appreciate ASEAN's efforts in promoting dialogue on regional peace and security," Jiang said.

"China has all along stood for the settlement of international disputes through peaceful negotiations and opposed the threat or use of force in international relations."

"As for some complicated international issues," Jiang said, "we think it advisable to find practical solutions to them through friendly consultations and negotiations in the overall interests of maintaining peace and stability, and in the long-term interests of people of all the countries concerned while accommodating the interests of all the parties concerned."

"As for the differences which cannot be dissolved immediately," Jiang continued, "the parties concerned should try to shelve them for the time being and find common ground without prejudice to the development of normal state-to-state relations."

The Chinese president arrived here from Singapore yesterday afternoon for a four-day visit to Malaysia, the second leg of his four-nation Asian tour which will also take him to Indonesia and Vietnam.

Jiang Says China 'Force for Peace'

OW1111110394 Beijing XINHUA in English 1046
GMT 11 Nov 94

[FBIS Transcribed Text] Kuala Lumpur, November 11 (XINHUA)—Visiting Chinese President Jiang Zemin said here today that China is an important factor for world peace and stability and "a developed China will represent a strengthened force for peace."

Jiang, who arrived here yesterday for a four-day state visit to Malaysia, made the remarks when he was addressing an audience of over 300 at the Shangri-La Hotel here this afternoon.

He said that it is the universal call for world peace, development and a better life for the human beings.

"If China, the biggest developing country with one fifth of the world's population, is able to eliminate poverty and realize modernization, it will be a major contribution to human development and progress," noted the Chinese president.

He told the audience that since the founding of New China in 1949, the Chinese people have gradually turned a poor and backward Old China into one which has attained initial prosperity and is now marching towards modernization.

The reform and opening-up policy the Chinese Government has taken since the late 1970's has led to a rapid growth in the national economy and the people's life has been improved noticeably, Jiang said at the event organized by the institute of diplomacy and foreign relations of Malaysia.

He further said that reform and opening-up have greatly promoted China's exchanges and cooperation with the rest of the world. An all-directional, multi-level and multi-form opening-up pattern has roughly taken shape now. The nation's exchanges and cooperation in the economic, scientific and technological, cultural and other fields have entered a new period of rapid development in both depth and breadth.

Outlining China's development plan, President Jiang said that the Chinese people desire to build preliminarily a socialist market economy in the country by the end of this century. Based on this, "we will continue to work for decades to come to develop our economy to a level compared to that of an average developed country by the middle of the next century."

However, he stressed that the level of China's economic development is not high and the growth is uneven for different areas. Compared with the southeast Asian nations, China has a long way to go.

"It is inevitable that people will encounter many difficulties and challenges on the road ahead. The reinvigoration of the Chinese nation will require unremitting and arduous efforts by several generations to come," Jiang concluded.

Seeks 'Prosperous, Stable' Southeast Asia

OW1111111094 Beijing XINHUA in English 1059
GMT 11 Nov 94

[FBIS Transcribed Text] Kuala Lumpur, November 11 (XINHUA)—Visiting Chinese President Jiang Zemin said today that China hopes to see a prosperous, stable and flourishing Southeast Asia.

In an address to an audience of over 300 people in the Sarawak room of Shangri-la Hotel here this afternoon, Jiang said it is "an important aspect of China's foreign policy to enhance good-neighborly and friendly cooperation with its surrounding countries."

He also said "a stable and rapidly growing China also serves the interests of the Southeast Asian countries and peoples."

He said China's independent foreign policy of peace will remain unchanged even if China becomes rich and prosperous in the future.

"Our policy to develop good-neighborly and friendly relations with surrounding countries is by no means an expediency, but rather an inevitable choice we have made in line with the call of the times and in view of the long-term interests of the peoples of China and other countries in this region," Jiang said.

In his address, the Chinese president also gave a brief account of China's development and his views on the international situation.

The event was organized by the institute of diplomacy and foreign relations of Malaysia, which is under the prime minister's department.

In his introductory speech, director-general of the Institute Ghazzali B. Sheikh Abdul Khalid [spelling of name as received] said the subject of Jiang's address is "of great interest, not only to Malaysia and the other countries in Southeast Asia but also to those who follow keenly developments in this region."

He expressed the belief that Jiang's address will be a major contribution towards the strengthening of relations between China and the countries in Southeast Asia.

Malaysian Foreign Minister Ahmad Badawi also gave an introductory speech.

Malaysian Prime Minister Mahathir Mohamed was present on the occasion.

The audience included leading figures from the local diplomatic corps, government and business sectors as well as the academia and the mass media.

Efforts Pledged for Peace, Prosperity

OW111113994 Beijing XINHUA in English 1113
GMT 11 Nov 94

[FBIS Transcribed Text] Kuala Lumpur, November 11 (XINHUA)—Chinese President Jiang Zemin and Malaysian supreme head of state Tuanku Ja'afar pledged that their two countries will join efforts to safeguard and consolidate peace, stability and prosperity in east Asia.

They made the pledge during talks held here yesterday evening, during which they shared the view that it is a prime task of all countries in the region to maintain stability and development and reinforce their overall national strength.

During the talks, Jiang Zemin said he hopes his visit will increase mutual understanding, trust and friendship between China and Malaysia and further friendly cooperation between them.

The Malaysian supreme head of state spoke highly of the achievements made by China in its economic construction, saying Malaysia attaches importance to the important role of China in safeguarding peace and stability in the region.

He said Malaysia hopes to see a strong and developed China and is ready to develop all round friendly cooperation with China.

The Chinese president arrived here yesterday afternoon for a four-day state visit to Malaysia, the second leg of his four-nation Asian tour.

Cooperation Enters New Stage

OW1111110694 Beijing XINHUA in English 1049
GMT 11 Nov 94

[FBIS Transcribed Text] Kuala Lumpur, November 11 (XINHUA)—Visiting Chinese President Jiang Zemin said here today that Sino-Malaysian cooperation has entered a new stage of all-round development.

"In the past 20 years since the establishment of diplomatic ties between China and Malaysia, the good-neighborly and friendly relations between us have been growing steadily," Jiang said in an address to an audience of over 300 at the Shangri-La hotel here this afternoon.

He pointed out that "the bilateral cooperation has entered a new stage of all-round development at all levels and in various fields."

"Friendly exchanges between our two peoples have a long history," Jiang said, "today we are both engaged in the cause of building up our countries."

Malaysia has scored remarkable achievements in economic development and accumulated much experience which China can learn and draw upon, the Chinese president said at the event organized by the Institute of Diplomacy and Foreign Relations of Malaysia.

Jiang praised Malaysia for its pursuit of a neutral and non-aligned foreign policy and the tremendous efforts it made in maintaining regional peace and stability, promoting regional cooperation and safeguarding the rights and interests of developing countries.

"The Chinese people are ready to work with the Malaysian people for the further growth of friendly relations and cooperation between our two countries and for a more stable, peaceful, prosperous and developed world," Jiang stated.

The Chinese president arrived here yesterday afternoon after a state visit to Singapore. Malaysia is the second leg of his current four-nation Asian tour which will also take him to Indonesia and Vietnam.

Mahathir Hosts Banquet

OW1111163394 Beijing XINHUA in English 1607
GMT 11 Nov 94

[FBIS Transcribed Text] Kuala Lumpur, November 11 (XINHUA)—Malaysian Prime Minister Mahathir

Mohamad said here this evening that the foundation for strong cooperation between Malaysia and China already exists.

The fundamental policy of the Malaysian Government towards China is to foster friendship, said Mahathir at a banquet hosted in honor of visiting Chinese President Jiang Zemin by the Malaysia-China Friendship Association (MCFA), of which Mahathir is the patron.

In this connection, Malaysian Airlines are encouraged to make efforts to extend and further develop their services to other destinations in China, he said, adding Malaysia will also continue to improve cooperation with China in science, technology exchange and cultural programs.

He also said his country welcomes China's commitment to maintain peace in the region.

The Chinese president, in his speech at the banquet, said lasting friendship between China and Malaysia not only benefits the two countries but also contributes to peace, stability, prosperity and development in the region.

Over the past 20 years since the establishment of diplomatic ties between the two countries, bilateral relations have enjoyed an all round and rapid progress in the political, economic, trade, scientific and technological, cultural, sports and all other fields, he said.

"We are gratified at the successful development of our relations in the first 20 years after the establishment of diplomatic ties," he said.

The president said there are vast potentials for closer Sino-Malaysian economic cooperation as the two economies are highly complementary.

He also said the Chinese Government encourages two-way investment and welcomes people of all ethnic groups from the Malaysian business community to China for business cooperation.

Usman Awang, chairman of the Malaysia-China Friendship Association, said at the banquet that the aim of the association, set up two years ago, is to promote unity, mutual understanding and friendship and foster a peace-loving spirit between the peoples of the two countries.

He said as a non-governmental organization, the association pays greater attention to the development of ties between the two countries in the fields of education and culture.

Before the banquet, the Chinese president gave an interview to local journalists here this afternoon.

Jiang on PRC Political Situation

OW1111170694 Beijing XINHUA in English 1659
GMT 11 Nov 94

[FBIS Transcribed Text] Kuala Lumpur, November 11 (XINHUA)—Chinese President Jiang Zemin said here today that the guiding principle and basic line for

building socialism with Chinese characteristics now enjoy whole-hearted support from people of various nationalities in China.

In an interview with Malaysian journalists here, Jiang said "we have established a very good guiding principle, this is the theory guiding the construction of socialism with Chinese characteristics."

"We have also established a very good line, that is centering on economic construction while adhering to the four cardinal principles and adhering to reform and opening-up," Jiang said.

All these, he said, "have proved fully correct in practice and enjoy the whole-hearted support from people of various nationalities of the whole country, and therefore cannot be changed by anybody."

He said, "the Communist Party of China is the ruling party in our country. It has accomplished the transfer of power from the central collective leadership of the second generation to the central collective leadership of the third generation. This provides the fundamental organizational guarantee for long-term stability in our country."

Jiang on UN Reform

OW1111172594 Beijing XINHUA in English 1716
GMT 11 Nov 94

[FBIS Transcribed Text] Kuala Lumpur, November 11 (XINHUA)—Chinese President Jiang Zemin said here today that China and Malaysia share views on many issues and will play a positive role in the Asia-Pacific region.

The political and economic situation in the Asia-Pacific region in general shows a trend for improvement but the world today is still not tranquil, said Jiang in an interview with Malaysian journalists.

He said hegemonism and power politics still exist and efforts are still needed to eliminate protectionism and discrimination and restrictions in trade.

All these, he said, should draw "our high vigilance and should be tackled seriously."

On the reform of the United Nations Security Council, the president said big changes in the international situation have made it necessary to reform the security council.

However, such reform should take into account the balance between the interests of various sides, the balance between various regions and particularly the balance between developing and developed countries.

Jiang on Good Neighbor Policy

OW1111233994 Beijing XINHUA in English 1749
GMT 11 Nov 94

[FBIS Transcribed Text] Kuala Lumpur, November 11 (XINHUA)—Chinese President Jiang Zemin said today

that China attaches extraordinary importance to the establishment of a relationship of good neighborliness and friendship with its surrounding countries.

In an interview with Malaysian journalists here, Jiang said "China pursues an independent foreign policy of peace and self-determination and is willing to develop friendly relations of cooperation with all countries in the world."

"We attach particular importance to the establishment of a good neighborly and friendly relationship with our surrounding countries," he stressed.

On disputes between states, the president said China "stands for resolution of such disputes through negotiations and firmly opposes the use of force or threat to use force" in solving disputes.

"I don't think there exist any real possibility for the occurrence of conflicts" in the East Asian region, said the president.

Jiang Zemin also said China never participates in arms race, nor does it seek to build up armament that exceeds the need of its national defense.

Therefore, he said, China has always kept its defense budget at a very low level.

"We hope to see the continuation of the stable situation in this region," he stressed.

Malaysian Journalists Interview Jiang

OW1211032494 Beijing XINHUA Domestic Service in Chinese 0108 GMT 12 Nov 94

[By reporter Wei Guoqiang (7614 0948 1730) and Ding Baozhong (0002 1405 1813)]

[FBIS Transcribed Text] Kuala Lumpur, 12 Nov (XINHUA)—Chinese President Jiang Zemin, who was paying a state visit here, was interviewed by Malaysian journalists on the afternoon of 11 November in the hotel where he was staying. He said to the journalists: China attaches extraordinary importance to the establishment of a relationship of good neighborliness and friendship with its surrounding countries.

Jiang Zemin said: "China pursues an independent foreign policy of peace and self-determination and is willing to develop friendly relations of cooperation with all countries in the world. We attach particular importance to the establishment of a good-neighborly and friendly relationship with our surrounding countries."

Jiang Zemin said: "On disputes between states, we stand for proper resolution of such disputes through peaceful negotiations and firmly oppose the use of force or threat to use force in solving disputes. I do not think any real possibility of the occurrence of conflicts in this region exists."

Jiang Zemin said: China will never participate in an arms race, nor does it seek to build up armaments that exceeds the needs of its national defense. Therefore, China has always kept its defense budget at a very low level. We hope to see a continuation of the stable situation in this region.

When asked about what role China and Malaysia can play jointly in promoting the development of the Asia-Pacific region, Jiang Zemin said: Both China and Malaysia are developing countries. They share views on many issues and will play a positive role in the Asia-Pacific region.

He said: The political and economic situation in the Asia-Pacific region in general shows a trend toward improvement, but the world today is still not tranquil. Hegemonism and power politics still exist, and efforts are still needed to eliminate protectionism and discrimination and restrictions on trade. All of these difficulties should draw a high degree of vigilance on our part and should be tackled seriously.

On the reform of the United Nations Security Council, Jiang Zemin said: Big changes in the international situation have made it necessary to reform the Security Council. However, such reform should take into account the balance between the interests of various sides, the balance between various regions, and particularly the balance between developing and developed countries.

Answering a question on China's political situation, Jiang Zemin said: We have already established a very good guiding principle—that is, the theory on building socialism with Chinese characteristics. We have also established a very good line—to take economic construction as the central task, uphold the four cardinal principles, and persistently carry out reform and opening up. All of these activities have proved to be completely correct in practice and enjoy whole-hearted support from the people of various nationalities of the whole country, and therefore cannot be changed by anybody. The Communist Party of China is the ruling party in our country. It has accomplished the transfer of power from the central leading collective of the second generation to the central leading collective of the third generation. This provides the most fundamental organizational guarantee for long-term peace and stability in our country.

Leader Discuss 'Traditional Friendship'

OW1211235394 Beijing XINHUA in English 1717 GMT 12 Nov 94

[FBIS Transcribed Text] Kuala Lumpur, November 12 (XINHUA)—Malaysian Prime Minister Mohamed Mahathir said here today that increased contacts and closer cooperation between Malaysia and China benefit not only the two countries but also peace, stability and development in their region.

Calling on Chinese President Jiang Zemin at the hotel where Jiang is staying, the prime minister said that there has never existed confrontation between the two countries.

There are traditional friendship and mutual trust between the two countries, he said.

Earlier today, the Chinese president toured Melaka State.

During a meeting with Governor of Melaka State Ahmad Shahabudin, Jiang said Melaka State served as an important link in history for the friendly exchanges between China and Malaysia.

During the visit, Jiang also planted a tree symbolizing friendship at a park in Melaka, capital of Melaka State.

The Chinese president tomorrow will pay a visit to Penang, the second largest city in Malaysia, from where he will leave for Jakarta of Indonesia to attend an informal Asia-Pacific Economic Cooperation leadership forum and continue his current Asian trip.

Jiang Bids Farewell To Ja'afar

OW1211232094 Beijing XINHUA in English 1743
GMT 12 Nov 94

[FBIS Transcribed Text] Kuala Lumpur, November 12 (XINHUA)—Chinese President Jiang Zemin said today that Sino-Malaysian friendship enjoys a long history and is now also to be further developed.

The Chinese president, who is soon to end his state visit to Malaysia, paid a farewell call on Malaysia Supreme Head of State [Paramount Ruler] Tuanku Ja'afar at the Royal Palace here this evening.

Jiang said that during his visit which started Thursday [10 November], the two sides exchanged views on bilateral relations and regional and international issues of common concern, and found that they shared views on many issues.

He described China as a friendly neighbor in which Malaysia can trust.

The two countries, he said, are now faced with similar tasks in safeguarding peace and accelerating development.

Therefore, they can well join efforts to greet the future, Jiang said.

Tuanku Ja'afar congratulated Jiang Zemin on the success of his visit to Malaysia.

The Chinese president will leave here on Sunday for Penang, the second largest city in Malaysia. From there, he will fly to Jakarta of Indonesia to attend an informal Asia-Pacific Economic Cooperation leadership conference and continue his Asia trip.

Further on Farewell

OW1311015094 Beijing XINHUA Domestic Service in Chinese 1515 GMT 12 Nov 94

[By reporters Wei Guoqiang (7614 0948 1730) and Ding Baozhong (0002 1405 1813)]

[FBIS Translated Text] Kuala Lumpur, 12 Nov (XINHUA)—Chinese President Jiang Zemin, who is soon to end his state visit to Malaysia, paid a farewell call on Malaysia's supreme head of state Tuanku Ja'afar at the Malaysia State Palace this afternoon.

Earlier, Prime Minister Mahathir visited the hotel where Jiang Zemin was staying for the purpose of saying farewell to Jiang.

While bidding farewell to Tuanku Ja'afar and Mahathir, Jiang Zemin again thanked the Malaysian Government, leaders, and people for their warm reception. Jiang Zemin said that his visit to Malaysia this time was very short; however, he has seen economic development and vitality in the localities where he has visited. He said: As a friendly neighboring nation, we are deeply pleased with and admire the achievements Malaysia has realized.

Jiang Zemin said: During the visit, we have extensively exchanged views on bilateral relations and regional and international issues of common concern. As two developing countries, we have shared a common language in many fields. Jiang Zemin said: Friendship between China and Malaysia not only has existed for a long time, but will develop further. China is a friendly neighboring nation in which Malaysia can trust. China and Malaysia have shared similar experiences in the past; and today they are facing a historic mission of safeguarding peace and promoting development. They can certainly join efforts to face the 21st century and greet a bright future together.

Tuanku Ja'afar warmly congratulated Jiang Zemin on the success of his visit to Malaysia.

Jiang Zemin again invited Tuanku Ja'afar to visit China and expressed his hope to welcome Tuanku Ja'afar in Beijing. Tuanku Ja'afar thanked Jiang Zemin for his invitation and said he will visit China again when appropriate.

In bidding farewell to Jiang Zemin, Mahathir said: Malaysia and China have shared a history of friendly exchange. Confrontation has never existed between them. They have always trusted each other. During this visit, President Jiang Zemin personally learned about the undertakings in which Malaysia is engaged and have seen the Malaysian people's friendly feelings toward the Chinese people. He said: Malaysia and China have reached a broad consensus on many international issues. Increased contacts, strengthened coordination, and close cooperation are beneficial not only to Malaysia and China, but to the region's peace, stability, and development.

Wen Jiabao, alternate member of the CPC Central Committee Political Bureau and member of the Secretariat, was present at the meeting.

Jiang Visits Chinese Embassy Staff

OW1411001794 Beijing XINHUA Domestic Service in Chinese 1510 GMT 12 Nov 94

[By reporter Ding Baozhong (0002 1405 1813)]

[FBIS Translated Text] Kuala Lumpur, 12 Nov (XINHUA)—Chinese President Jiang Zemin, currently paying a state visit here, called on embassy staff and personnel of other organizations at the Chinese Embassy in Malaysia this evening.

Jiang Zemin was given a warm applause when he entered the embassy hall, accompanied by Ambassador Qian Jinchang. After posing for a group photograph, Jiang Zemin gave a briefing on China's reform and opening up. He encouraged everyone to take care of their health and perform their duties well.

Wen Jiabao, alternate member of the Political Bureau and member of the Secretariat of the CPC Central Committee, who is accompanying Jiang Zemin's visit to Malaysia, was also present.

Jiang Visits Malaysia's Melaka State

OW1411020494 Beijing XINHUA Domestic Service in Chinese 1534 GMT 12 Nov 94

[By reporters Wei Guoqiang (7614 0948 1730), Ding Baozhong (0002 1405 1813), and Duan Jiyong (3008 0679 0516)]

[FBIS Translated Text] Malacca (Malaysia), 12 Nov (XINHUA)—Chinese President Jiang Zemin met and held cordial and friendly talks with Malaysia's Malacca Governor Tun Syed Ahmad Sahabudin in Malacca this afternoon.

During the meeting, Jiang Zemin said: As early as the Ming Dynasty era, Zheng He, the great Chinese navigator, sailed abroad seven times. During those trips, he stopped at Malacca five times and developed a very deep friendship with the local people, establishing the maritime silk road between China and Southeast Asia. These Sino-Malaysian friendly relations have continued until today.

Jiang Zemin said: Sino-Malaysian relations have developed extensively and deeply under new historical conditions since the two countries established ties 20 years ago, and the fields of cooperation have continued to widen. He said: I have again planted a friendship tree. I hope that we both will work hard together so that the seed of Sino-Malaysian friendship, planted by our ancestors five centuries ago, will bear richer fruits.

Sahabudin warmly welcomed President Jiang Zemin's visit to Malacca, and said that he was deeply impressed with each of his four visits to China.

Before the meeting, Jiang Zemin wrote an inscription for the Malacca state government at the governor's invitation. The inscription reads: "Sino-Malaysian friendship is long standing and well established."

Wen Jiabao, alternate member of the CPC Central Committee Political Bureau and member of the CPC Central Committee Secretariat, was present at the meeting.

Jiang Zemin also visited and planted a friendship tree at the Miniature Malaysia Park in Malacca city this morning.

Jiang Departs Malaysia

OW1311141894 Beijing XINHUA Domestic Service in Chinese 1222 GMT 13 Nov 94

[By reporters Ding Baozhong (0002 1405 1813) and Wei Guoqiang (7614 0948 1730)]

[FBIS Translated Text] Penang (Malaysia), 13 Nov (XINHUA)—Chinese President Jiang Zemin has successfully concluded his four-day state visit to Malaysia and left here by special plane this afternoon for Jakarta to attend the informal meeting of leaders of the Asia-Pacific Economic Cooperation [APEC] and pay a state visit to Indonesia.

During his visit in Malaysia, Jiang Zemin paid a courtesy call on Malaysia's Paramount Ruler Tuanku Ja'afar and had extensive, deep-going talks with Malaysian Prime Minister Mahathir Mohamed on bilateral relations and international issues. He also visited Malaysia's economic and cultural installations and toured the historical city of Malacca, and Penang, a major city in northern Malaysia.

Media in Malaysia maintained that President Jiang Zemin's visit would expedite the development of Sino-Malaysian friendly relations.

Wen Jiabao, alternate member of the CPC Central Committee Political Bureau and member of the CPC Central Committee Secretariat, who was accompanying President Jiang Zemin in Malaysia, also left here on the same plane.

Seeing President Jiang Zemin off at the airport were Anuar Musa, head of the Malaysian reception group and minister of rural development; (Xu Zigen) [6079 1311 2704], chief minister of Penang; Chinese Ambassador to Malaysia Qian Jinchang, and others.

Jiang Zemin, President Ramos Discuss Spratly Islands

OW1411120094 Beijing Central People's Radio Network in Mandarin 1030 GMT 14 Nov 94

[From the "National Hookup" program]

[FBIS Translated Text] In his meeting with Philippine President Ramos, President Jiang Zemin discussed the issue of the Spratly Islands. He said: There are clear historical records in regard to the sovereignty of the Spratly Islands. China has proposed that any disputes on this issue should be settled peacefully through bilateral talks between the countries involved. He pointed out: Before we find a settlement, the disputes must be shelved and the islands exploited jointly.

Ramos expressed agreement. He admired China's support for ASEAN's proposal that the Spratly issue be settled peacefully.

Ramos invited President Jiang Zemin to pay an official visit to the Philippines at an early date. President Jiang Zemin accepted the invitation with pleasure.

Jiang Hopes Indonesian Visit To Aid Relations

OW1311143994 Beijing XINHUA in English 1420 GMT 13 Nov 94

[FBIS Transcribed Text] Jakarta, November 13 (XINHUA)—Chinese President Jiang Zemin arrived here this evening for an informal leadership conference of the Asia-Pacific Economic Cooperation (APEC) Forum and for a state visit to Indonesia.

In a written statement issued on his arrival, Jiang said that he is delighted to have the opportunity to attend the APEC meeting scheduled for November 15 in Bogor near Jakarta.

Jiang expressed the hope that his state visit to Indonesia will contribute to the continuous development of friendly relations and cooperation between China and Indonesia.

He said that his visit will "help enhance the understanding between our two countries and peoples."

"We are pleased to note that since the resumption of diplomatic ties between our two countries, our friendly relations and mutually-beneficial cooperation have developed smoothly and yielded satisfactory results," Jiang said.

He expressed his appreciation over the "increasingly important" role which Indonesia is playing in regional and international affairs and "gratifying achievements" made in its economic development.

Jiang said that he will hold talks with Indonesian President Suharto on bilateral ties and regional and international issues of common concern.

The Chinese president came here from Penang, where he just ended a state visit to Malaysia.

Indonesian Coordinating Minister for Political Affairs and Security Susilo Sudarman greeted the Chinese president at the Halim Airport.

Chinese Vice Premier and Foreign Minister Qian Qichen and Minister of Foreign Trade and Economic Cooperation Wu Yi, who came here earlier for the sixth APEC ministerial meeting, also greeted Jiang at the airport.

Jiang Issues Statement

OW1411012294 Beijing XINHUA Domestic Service in Chinese 1533 GMT 13 Nov 94

[By reporters Zhao Xinkao (6392 2450 5072) and Liu Ruiping (0491 3843 1627)]

[FBIS Transcribed Text] Jakarta, 13 Nov (XINHUA)—Chinese President Jiang Zemin arrived at Halim Airport in Jakarta, the Indonesian capital, this afternoon for an informal leadership conference of the Asia-Pacific Economic Cooperation [APEC] forum to be held in Bogor on 15 November, and for a state visit to Indonesia.

After the special plane landed on Halim Airport at 1815 hours local time, Ambassador Ahman [name as transliterated] of the Protocol Department of the Indonesian Foreign Ministry and Qian Yongnian, Chinese ambassador to Indonesia, boarded the plane to greet President Jiang Zemin. Jiang Zemin stepped out of the plane and waved to the well-wishers. Susilo Sudarman, Indonesian coordinating minister for political affairs and security, who was waiting at the ramp, stepped forward to shake hands with President Jiang Zemin and extended his warm welcome to the president.

Qian Qichen, Chinese vice premier and foreign minister, Wu Yi, minister of foreign trade and economic cooperation, and Liu Huaqiu, vice foreign minister, who came here earlier also greeted Jiang at the airport.

Indonesian children and some young female staff members from the Chinese Embassy presented flowers to President Jiang Zemin.

In a written statement issued at the airport, Jiang Zemin highly praised the gratifying achievements made by the Indonesian Government and people in economic development and in improving the people's living standards and the increasingly important role played by Indonesia in international and regional affairs.

He said: "China and Indonesia are neighbors, and the friendly exchanges and traditional friendship between them date back to ancient times. We are pleased to note that since the resumption of diplomatic ties between our two countries, our friendly relations and mutually-beneficial cooperation have developed smoothly and yielded satisfactory results."

He said: "During the visit, I will hold talks and exchange views with His Excellency President Suharto on bilateral ties and regional and international issues of common concern. I hope that the visit will help enhance the understanding between our two countries and peoples

and contribute to the continuous development of bilateral friendly relations and cooperation."

Those who were accompanying President Jiang Zemin on the visit and arrived by the same plane included special assistants Wen Jiabao and Zeng Qinghong, Wang Zhongyu, minister of the State Economic and Trade Commission, special assistants Wang Weicheng and Shu Huaide, and Vice Foreign Minister Tang Jiaxuan.

Near East & South Asia

Spokesman Welcomes Iraq's Recognition of Kuwait

OW1111094894 Beijing XINHUA in English 0939 GMT 11 Nov 94

[FBIS Transcribed Text] Beijing, November 11 (XINHUA)—A Chinese Foreign Ministry spokesman said here today that China welcomes Iraq's official recognition of Kuwait's sovereignty and Iraqi-Kuwaiti border.

The spokesman Shen Guofang made the remarks when asked to comment on the official announcement made by Iraq of its recognition of Kuwait's sovereignty and the Iraqi-Kuwaiti border defined by the UN Security Council Resolution No. 833.

Shen said, "We welcome Iraq's official recognition of Kuwait's sovereignty and Iraqi-Kuwaiti border. This is a major step towards the final settlement of the issues left over from the Gulf war."

China, he said, hopes that Iraq will continue to cooperate with the UN and make positive efforts for an early realization of peace and stability in the Gulf region on the basis of a full compliance with the relevant UN Security Council resolutions.

"China maintains that, given the recent developments, the international community shall now consider the gradual lifting of sanctions against Iraq so as to ease the Iraqi people's sufferings," he said.

XINHUA Analyzes 'Positive Step'

OW1211011494 Beijing XINHUA in English 2136 GMT 11 Nov 94

[XINHUA "News Analysis" by Zhang Dacheng: "Positive Step Toward Easing Sanctions on Iraq"]

[FBIS Transcribed Text] Baghdad, November 11 (XINHUA)—President Saddam Husayn, chairman of the Revolution Command Council, and Sa'di Mahdi Salih, speaker of the National Assembly, announced Thursday [10 November] in their decrees Iraq's formal recognition of Kuwait's sovereignty and border.

The historic decision has brought about positive conditions for improving the Iraqi-Kuwaiti relations, easing the tension in the Gulf region and winning an early lifting of the four-year-old UN economic sanctions

imposed on Iraq as a punishment for its invasion and annexation of Kuwait in August 1990.

Though being kicked out of Kuwait by the U.S.-led allies in the 1991 Gulf war, Iraq has not abandoned its claim to the sovereignty and territories of Kuwait until March when Iraq expressed its readiness to resolve all the pending issues with Kuwait.

Iraq had refused to recognize the sovereignty of Kuwait, holding that Kuwait was a district of Iraq's southern province of Basra during the Ottoman rule.

It also refused to recognize the new Iraqi-Kuwaiti border demarcated in line with the UN Security Council Resolution 833, arguing that any border dispute should be resolved by the parties concerned.

However, the seemingly endless UN sanctions have crippled Iraq's oil-dependent national economy, inflicted heavy sufferings to its 18 million people, and threatened the Ba'ath-ruling government.

Like its unwilling acceptance of the UN Resolution 715 which calls for a long-term monitoring of Iraq's military industries in November 1993, Iraq was forced to recognize the sovereignty and border of Kuwait now.

While the National Assembly debated the Kuwaiti issues in a special session Thursday, some members demanded "the future generations should never forget Kuwait is part of Iraq," regarding the ceding of territories as a shame to the nation.

Observers here said that only by apologizing for its invasion of Kuwait, which originated all the sufferings to its people, Iraq can win the confidence by the international community for its compliance with all the relevant UN resolutions and support for an early lifting of the sanctions.

But it should be noted that though Iraq has formally recognized Kuwait's sovereignty and borders, Iraq can not expect in the near future any easing of the sanctions. Some big powers have changed its nature from purely requiring Iraq's implementations of the UN resolutions to a rivalry for their interests in the Gulf region.

The observers said the United States and Britain want to control the oil-rich but defense-poor Gulf region and keep their military presence there through continuing the UN sanctions on Iraq.

Russia, France and some other countries want to regain their great military and economic benefits from their traditional cooperation partner Iraq by lifting the sanctions on its oil export in order to compete with the U.S. presence in the region.

Sympathizing with the sufferings of the Iraqi people, most countries hold that the sanctions on Iraq should be eased step by step in accordance with Iraq's full compliance with the UN resolutions in an effort to realize a real peace and development in the Gulf region.

What influence the Iraqi recognition of the sovereignty and borders of Kuwait could exert will be judged by the UN Security Council review of the Iraqi issues next Monday.

West Europe

Officials on 'Unfair' EC Antidumping Measures

OW1111141394 Beijing XINHUA in English 1403
GMT 11 Nov 94

[FBIS Transcribed Text] Shanghai, November 11 (XINHUA)—Chinese trade officials and exporters here today attacked the European Community (EC) for what they called unfair anti-dumping decisions made against Chinese non-ferrous metal exports.

"The EC's anti-dumping procedure discriminates against Chinese products," Cheng Zhuhai, director of the metals section of the China Chamber of Commerce told a Sino-EC non-ferrous metals seminar.

China also has dumping disputes with the United States and Japan, but the Chinese metal exports suffer the "worst unfair treatment" in Europe and the EC anti-dumping procedures are "opaque", Cheng told the seminar.

Attendants at the seminar included representatives from the EC, Eurometaux and Euromines.

Eurometaux General Secretary I. Spaas categorically denied the accusation, suggesting that the Chinese side was ignorant of the EC's anti-dumping procedures.

Eurometaux serves as a link between EC metals industries in the EC, who filed dumping petitions, and the European Commission, which investigates dumping cases.

One of the Chinese complaints was that the EC had never sent investigators to China, and the decisions had been made based on one-sided evidence—unlike the U.S. and Japan in similar cases.

The EC Director General for Industry Dimitri Giotakos admitted he was not sure whether this was true. "If it is so, this is very strange," he said.

According to China's Ministry of Foreign Trade and Economic Co-operation (MOFTEC), some one dozen Chinese metals exports and products made from them are subject to anti-dumping duties averaging 30-40 percent in the EC. They include tungsten, magnesite, bismuth, calcium and fluorine.

Shi Zhouyu, a MOFTEC official in charge of anti-dumping affairs between China and the EC, noted that there is a trend toward anti-dumping measures being overemployed as a means of trade protection.

This is particularly so when Chinese products are involved since China's exports have been growing rapidly in the past decade," the official said.

Shi also revealed that MOFTEC has already worked out China's own anti-dumping law, which is expected to be approved by the State Council and rectified by the National People's Congress soon.

Airbus Chief Meets Jiang, Endorses GATT Bid

BR1011162894 Paris LES ECHOS in French 10 Nov 94
p 17

[Article by Laurence Soustras in Beijing: "Airbus Backs China's GATT Membership Bid"]

[FBIS Translated Text] Intent on improving its relations with Beijing, which had deteriorated due to the sale of Mirage 2000-5's to Taiwan, among other things, Airbus wants to give a new dimension to its presence in China. From the sidelines—it only sold 35 aircraft in China since 1985—the European consortium has been watching its U.S. rivals continue to make inroads into the world's most promising market of the next 15 years. According to Airbus estimates, Chinese airlines would need some 600 aircraft by the year 2010, a market worth over \$80 billion.

The recent announcement of Boeing's \$600-million investment in China for the construction of the rear portion of B-737 fuselages, and the deal concluded late last week by McDonnell Douglas (MDD) to extend its contract for delivery of MD-90 airliners, were bound to grate on already frayed Airbus nerves. China's airlines currently operate 180 Boeing and some 40 MDD aircraft.

Having come to China to sign a \$25-million investment agreement for the construction of a maintenance and training center, Airbus CEO Jean Pierson met with President Jiang Zemin, with whom he discussed China's bid for membership of GATT: "Airbus is determined to exert strong pressure in Europe so that China can join GATT as soon as possible," said Jean Pierson, intent on winning Beijing's favors.

Many U.S. Reservations

China, which wants to become a charter member of the World Trade Organization (WTO) to be established on 1 January, is still waiting for a response to its GATT membership bid. The United States, which holds the key to any agreement on the matter, has expressed many reservations on China's offers about tariffs as well as the opening up of several sectors of its economy. As is their wont at this time of the year, the Americans are loath to grant Beijing their unconditional support within GATT through the most favored nation clause.

Political & Social

Deng Urges Expedited Pudong Development

HK1111095694 Hong Kong HSIN PAO in Chinese
11 Nov 94 p 30

["Beijing Political Situation" column by Jen Hui-wen (0117 1979 2429) in Beijing on 9 November 1994: "Deng Xiaoping Gives His Latest Instructions on Speeding Up Development of Pudong in Shanghai"]

[FBIS Translated Text] The health condition of Deng Xiaoping, at the advanced age of 90, increasingly has become an important factor by which people at home and abroad judge whether or not China's political situation is stable. Therefore, it has attracted people's particular attention.

According to a source in Beijing, the CPC authorities have adopted special protective measures with regard to Deng Xiaoping's health. The report, which was submitted to the CPC authorities by the Health Protection Bureau of the CPC Central Committee during the 1 October National Day celebrations, said: In view of his current health condition, it is suitable for Deng Xiaoping to live in the southern region of China. We suggest that Deng Xiaoping go to the southern region for recuperation at an earlier time. Deng agreed to go south, but he wanted to go to Shanghai and have a look at the construction of Pudong in passing, but the Health Protection Bureau proposed that Deng Xiaoping go to Jiangsu's Tai Hu. Whether Deng Xiaoping will go to Tai Hu or to Shanghai remains unknown. However, it is a fact that he is concerned about the construction of Pudong. Shanghai leaders recently sent the plan and simulation map of Pudong's fourth-phase development to Deng for checking and approval. After going over them, he once again talked about speeding up the development of Pudong. After Deng's latest instructions were transmitted within the CPC, the southern region was the first to respond. Hence, a new great upsurge of making greater investment in Pudong is now on the rise.

Shanghai Should Become the Chicago of the East

What are Deng Xiaoping's latest instructions on Pudong? After looking at the simulation map of Pudong's development, Deng said: It is very fine, but it would be better if we were to develop Pudong a little faster. In his talk, Deng once again brought up the implementation of the second development strategic step for the development of the Pudong new district.

The development of Shanghai's Pudong was urged by Deng Xiaoping in Beidaihe in the ninth year of the implementation of the policy of reform and opening up to the outside world, or in 1987, and was officially announced by the CPC Central Committee and the State Council in the 12th year of the policy's implementation, or in April 1990. The implementation of the first development strategic step resulted in the formation of five

special economic zones in Shenzhen, Zhuhai, Shantou, Xiamen, and Hainan, and of 14 economic and technological development zones in the coastal areas. These two strategic steps, which Deng personally devised and decided on, were crucial to the regional and industrial opening up in China's economic reform.

In October 1992, in his report to the 14th CPC National Congress, party General Secretary Jiang Zemin specially pointed out that "the opening and development of Shanghai's Pudong should become the dragon's head, and the cities along the banks of the Chang Jiang should be further opened. Shanghai should be built into one of the world's economic, financial, and trade centers so as to nurture a new economic leap in the Chang Jiang delta and in all the Chang Jiang river valleys," and that the strategic decision toward Shanghai thus should become the CPC's resolution.

In his current talk, Deng Xiaoping explained: As a result of the implementation of the first-step development strategy, the economic development framework of the areas from Shandong, Jiangsu, Fujian, and Guangdong to Hainan has taken shape. Their economies are thriving and their impact is continuously fanning out to their peripheral and hinterland regions. Shanghai should become the Chicago of the East, and an international financial center. The effect is still limited at present, but in the five years to come, Shanghai should bring along the development of all the Chang Jiang river valleys, and even the whole country, as the first-step development framework is formed. With the first step, plus the second one, the Chinese economy will be able to develop rapidly.

Beijing economic experts pointed out: In accordance with the CPC's policy decision, since the beginning of the 1990's, the focus of China's reform and opening up has begun to be shifted to the Chang Jiang river valleys, with Shanghai's Pudong as the dragon's head. These areas are more vast than the Zhu Jiang river valley hinterland. A historical trend has pushed Shanghai to the forefront of China's reform and opening up, and of its economic development as well. In his talk, Deng hoped that Shanghai would not miss the important historical opportunity to rise once again in the new historical conditions.

Deng Has Followed the Pudong's Development With Interest, Year After Year for Seven Years

The source went on to say: Since Deng Xiaoping proposed the development of Pudong in 1987, he has gone to Shanghai every year for seven years running. He has given talks almost every year, urging the accelerated development of Pudong and the construction of Shanghai. He particularly hoped that "we should firmly carry the development of Pudong to fruition without wavering" so that he would see the development of Pudong completed during his lifetime. Among Deng's numerous talks on Shanghai's Pudong, what is worth

rereading are his 1992 southern-tour talks, and the talks he made separately in 1993 and 1994, which are rarely known to all.

In early 1992 when touring the southern region, Deng said: "Shanghai has every necessary condition for faster progress. It enjoys obvious advantages in personnel, technology, and management, and has far-flung influence. In retrospect, one of my major errors was a failure to include Shanghai when we started the four special economic zones. Otherwise, the situation in the reform and opening up in the Chang Jiang delta, of all the Chang Jiang river valleys, and even of the whole country would be quite different."

In Shanghai on 13 December 1993, Deng said: "Shanghai is a piece of blessed land [fu di 4395 0966] in China. We, the people of this generation, started making revolution in Shanghai in previous years. Now China's development also should take another big leap from Shanghai. I place high hopes on Shanghai. Whether or not Shanghai fares better next year has an impact on the overall situation. We should do this job well."

In Shanghai on 3 January 1994, Deng again said: "Pudong is the dragon's head. Its development has been delayed and I am now worried about it. We should concentrate funds on starting the major energy and communications construction projects that can be undertaken earlier. If we start one year earlier, we will benefit one year earlier." "An international financial center must be a place where various currencies can be converted freely. This is only too important to Shanghai. For China to achieve an international financial status, above all else, it should rely on Shanghai. I have repeated this remark many times. People say I have a partiality for Shanghai. I would ask: What parts of the country can replace the status of Shanghai? Pudong is like the dragon's head. This has been written into the report to the 14th national party congress. So you must do a good job of developing Pudong. If Pudong is developed, this will give some capital for me to speak."

Beijing economic experts maintained: The central idea that Deng's various talks seek to express is that ideological emancipation is unlimited. We will accomplish nothing by being afraid of this or that. Shanghai's development can be achieved, in the final analysis, by relying on action. We should promptly promote the process of reform and opening up, and not waste our good times in courtesy matters. Otherwise, we will regret it in the future.

Shenzhen Decides To Support Pudong

The source also said: By mentioning again the need to bring along the whole country with the development of Shanghai, Deng Xiaoping actually hopes that all provinces and cities have the idea of taking the whole country into account, that they should not regard the central authorities as being partial to Shanghai, and that they should voluntarily support the construction of Shanghai's Pudong.

After Deng's latest instructions were relayed to the south, Shenzhen unexpectedly was the first to respond. At the end of October, the Shenzhen city leadership made the decision to increase investment in Pudong. The specific method is to reduce investments in Shaoguan, Foshan, and Zhaoqing, and to shift the money to Pudong so as to give it full support. With Shenzhen taking the lead, a new high tide of increasing investment in Pudong has arisen.

As some experts in Beijing put it, however, the fact that Deng has had to make repeated calls for expediting the construction of Pudong shows there is great obstruction. In fact, a "leftist" force within the CPC, which holds that Deng is leading China toward the capitalist path, is still creating difficulties. Therefore, to accelerate the pace of construction, with Shanghai's Pudong as the dragon head, it is necessary to go on opposing "leftism."

Paper Says Deng Suffered Health Crisis in Jun

*HK1111064594 Hong Kong LIEN HO PAO in Chinese
11 Nov p 10*

[Dispatch from Tokyo by special correspondent Chen Shih-Chang (7115 0013 2490): "Deng Xiaoping's Heart Is Reported To Have Stopped Beating for Some Time in June, But Fortunately He Was Saved by Four Qigong Masters"]

[FBIS Translated Text] The Japanese WENCHUN [2429 2504] WEEKLY, which was published yesterday, says that after returning to Beijing from a visit to Qingdao in June this year, Deng Xiaoping, supreme leader of the CPC, was once on the brink of death because his heart stopped beating. He was later saved through the efforts of four qigong masters.

WENCHUN WEEKLY learned about this from a trusted follower of Deng. For his own safety, this trusted follower wanted the interview to be anonymous. He said: Deng Xiaoping was indeed once in a state of extreme emergency in June. His heart appeared to stop beating suddenly, but he was miraculously saved by qigong masters standing by his side.

He said: Chen Baosheng is the core of the four qigong masters. They were selected through tests from among people with supernatural skills. They hang around Deng, awaiting orders.

The follower said: The mass media outside often report about Deng's being hospitalized. As a matter of fact, in Deng Xiaoping's residence itself, there is a perfect medical group, which includes Western and Eastern qigong masters. Therefore, there is no need to depend on hospitals for medical treatment, or to worry about unnecessary speculations outside caused by hospitalization. The report says: Since he was rescued, Deng Xiaoping has gradually recovered to a state of being fairly well [xiao kang 1420 1660]. However, because he is already at the advanced age of 90, such a minor ailment

as a common cold may be able to take his life. Nevertheless, he remains the "supreme power wielder" [zhang quan zhe 2222 2938 5074] of the CPC.

The report points out: Signs of a struggle for power in the post-Deng era already have appeared in the Beijing inner circle. At present, Jiang Zemin—who is said to have party, government, and military strength—cannot even get the chance to see Deng Xiaoping. Therefore, it is really very difficult to predict correctly who will be the successor in Mainland China after Deng's death.

On many occasions, Deng Xiaoping himself stated that he wanted to retire from office on the first line of the political circles. Legally speaking, he is only a Communist Party member. However, if viewed from the real situation, Jiang Zemin—the highest leader of the party, government, and armed forces—has no control over any power at all.

The report says: The highest policy-making organ of the CPC is the Political Bureau and its standing committee. Although Deng Xiaoping himself does not attend meetings of the bureau or its standing committee, he sends Wang Ruilin, director of the Deng Xiaoping Office, to attend these meetings to pass on "imperial edicts" to the CPC Central Committee.

Wang Ruilin has two kinds of "imperial edicts" in his hands. One is "Comrade Deng Xiaoping's statements" [tan hua 6151 6114]; the other is "Comrade Deng Xiaoping's views" [yi jian 1942 6015]. Both are written in big Chinese characters of 5 square centimeters each. In reality, Mainland China is still implementing a "dictatorial manipulation" system by Deng Xiaoping.

It is said that even Jiang Zemin finds it difficult to have a chance to meet Deng Xiaoping. For example, when members of the Political Bureau of the CPC Central Committee wanted to pay a New Year call on Deng Xiaoping during the spring festival this year, they succeeded in getting in touch with Deng Xiaoping, who was in Shanghai, only through Ding Guangen, a member of the Political Bureau. We all know that Ding Guangen is Deng's trusted follower.

A recent news report has shown more clearly the contradiction between Jiang and Deng. In June, WEN WEI PO reported that Deng Xiaoping had visited Qingdao, but this was denied by the Foreign Ministry on the mainland. The two reasons for the Foreign Ministry's denial are:

1. The time when Deng Xiaoping was in an emergency state was after his visit to Qingdao, and the CPC Central Committee wanted to withhold the matter.
2. When he was in Qingdao, Deng Xiaoping secretly called a meeting of most military personalities. At that time, Jiang Zemin was not in Qingdao. Therefore, making the visit public would have a great impact on Jiang Zemin's leadership strength or on Mainland China.

The CPC inner circle seems to be waiting for the arrival of the post-Deng era. What should one do by that time? What would one gain? Everyone has started calculating and making plans.

'Deng Xiaoping's Strategic Ideology' Published

SK1111092694 Beijing XINHUA Domestic Service in Chinese 1941 GMT 8 Nov 94

[By correspondent Jiang Wenming (1203 2429 2494)]

[FBIS Translated Text] Beijing, 8 Nov (XINHUA)—The book *On Deng Xiaoping's Strategic Ideology* was published and distributed by the Military Sciences Publishing House a few days ago.

Deng Xiaoping's strategic ideology constitutes an extremely important part of his theory of building socialism with Chinese characteristics. With Deng Xiaoping's theory of building socialism with Chinese characteristics as the longitude, and with the major strategic ideas offered by Deng Xiaoping for various spheres as the latitude, this book, compiled by relevant specialists under the Academy of Military Sciences, has provided a thorough and all-round discussion and research on Deng Xiaoping's strategic ideas in close combination with his practice and activities in operating major policies and strategies of the state and the army. Covering a total of 15 chapters with nearly 300,000 characters, this book has systematically expounded the development process and scientific system of Deng Xiaoping's strategic ideas; has commented on the major characteristics of Deng Xiaoping's strategic ideas; and has emphatically expounded in separate chapters Deng Xiaoping's strategic thinking on the world that is aimed at seeking peace and development, his strategic thinking on the development of the country that is focused on economic construction, his strategic thinking on state security that is aimed at creating a peaceful and stable environment at home and abroad, and his strategic ideas concerning 13 fields that are fully manifested in his theory and practice.

Based on full and accurate data, concise characters, and convincing expositions, this book has reflected the mainstay of Deng Xiaoping's strategic ideas in a relatively concentrative and vivid manner.

Deng's Works Published on Floppy Disks

OW1211133394 Beijing XINHUA Domestic Service in Chinese 0242 GMT 10 Nov 94

[By reporter Qu Zhilong (2575 1807 4767)]

[FBIS Translated Text] Beijing, 10 Nov (XINHUA)—A single-volume electronic edition of Volumes 1 through 3 of the *Selected Works of Deng Xiaoping* was published recently and was demonstrated here today. This was the first time that China had published and openly distributed a party and state leader's works on floppy disks.

The electronic edition of the *Selected Works of Deng Xiaoping* consists of two high-density floppy disks on which the entire contents of Volumes 1 through 3 of the *Selected Works of Deng Xiaoping*, which are already available in print, are stored. It is very convenient to read and search on any ordinary microcomputer. Using a random combination of key words and phrases, readers can accurately and flawlessly search the sentences they need, along with the page numbers, paragraphs, tables of contents, background information, times of release, and relevant annotations, through the *Selected Works of Deng Xiaoping* in a matter of seconds.

The electronic edition of the *Selected Works of Deng Xiaoping*, which is an official state publication, was jointly developed and produced by the People's Publishing House and Beijing University. This new means of published material represents an important result by China's publishing circles in developing and producing electronic books. It also provides a brand-new tool with which to thoroughly study and research the theory on building socialism with Chinese characteristics and Deng Xiaoping's complete ideological system.

Report on Leaders' Activities 4-10 Nov

OW1111063094

[FBIS Editorial Report] PRC media from 4 November to 10 November carried the following reports on PRC central leadership activities. The source is noted in parentheses after each report.

Fu Quanyou Inscriptes For PLA Depot—The Qinghai-Tibet Depot of the People's Liberation Army (PLA) in Xining City, Qinghai, held a meeting on 26 October to celebrate its 40th year of service on the Qinghai-Tibet Highway. Fu Quanyou, director of the PLA General Logistics Department, wrote an inscription for the depot on the occasion. (Lhasa Tibet Television Network in Mandarin 1200 GMT 2 Nov 94)

Liu Huaqing, Zhang Zhen, Attend Dramas—Several military leaders separately watched modern dramas "Xu Honggang" and "Stars outside Window" recently. They included Liu Huaqing and Zhang Zhen, vice chairmen of the Central Military Commission; and Chi Haotian, Zhang Wannian, Yu Yongbo and Fu Quanyou, members of the Central Military Commission. "Xu Honggang" is about good deeds of a soldier, while "Stars Outside the Window" is about the life of some troops in several open coastal cities. (Beijing XINHUA Domestic Service in Chinese 1506 GMT 4 Nov 94)

Li Tieying, Luo Gan Attend Inauguration—Li Tieying and Luo Gan attended the inauguration ceremony for an indoor tennis court at the Shisaihai Sports School in Beijing on 6 November. (Beijing XINHUA Domestic Service in Chinese 0837 GMT 6 Nov 94)

Li Peng, Zou Jiahua Inscribe For Meeting—A national meeting on electric power conservation was held in Zhengzhou recently. Li Peng and Zou Jiahua wrote

inscriptions for the meeting. Li Peng's inscription reads: "Attach equal importance to both development and conservation, and conservation of energy and electricity benefits both the country and the people." Zou Jiahua's inscription reads: "Improve scientific management, promote scientific and technological progress, conserve electric power, and enhance economic efficiency." (Beijing Central People's Radio Network in Mandarin 2330 GMT 6 Nov 94)

Song Jian Attends Genome Meeting—The UNESCO-sponsored second North-South Human Genome Congress opened in Beijing on 7 November. Song Jian, state councillor and minister in charge of the State Science and Technology Commission, attended the opening ceremony. (Beijing XINHUA Domestic Service in Chinese 1202 GMT 7 Nov 94)

Song Jian Greets Scientists' Forum—A forum of scientists discussing China's young talents of the 21st century was held in Beijing on 8 November. Song Jian, state councillor and minister in charge of the State Science and Technology Commission, sent a congratulatory letter to the forum. The forum was sponsored by the Communist Youth League Central Committee and the All-China Youth Federation. (Beijing XINHUA Domestic Service in Chinese 1113 GMT 8 Nov 94)

Peng Peiyun Attends Commendation Meeting—The Canadian-Chinese Children's Health Foundation recently awarded a prize to the Department of Women and Children of the Ministry of Public Health for its efforts to promote breast feeding and medical care for children. State Councillor Peng Peiyun attended the prize-awarding ceremony. (Beijing XINHUA Domestic Service in Chinese 0712 GMT 8 Nov 94)

Zhu Rongji, Hu Qili Attend Electronics Meeting—A major technical innovation project on improving VCR components undertaken by the China Hualu Electronics Company was checked and accepted by the government at a meeting in Dalian on 7 November. (Video shows Hu Qili, minister of electronics industry, present at the meeting.) Vice Premier Zhu Rongji praises the company for its success. (Beijing Central Television Program One Network in Mandarin 1100 GMT 8 Nov 94)

Li Peng Greets Shipping Company—The Hong Kong Shipping (Group) Company, Limited, a branch of China Ocean Shipping (Group) Company, was inaugurated on 8 November. Premier Li Peng wrote an inscription for the Hong Kong company: "May the Hong Kong Shipping (Group) Company of the China Ocean Shipping (Group) Company enjoy great success in business and contribute to Hong Kong's prosperity and stability." (Beijing XINHUA Domestic Service in Chinese 1345 GMT 9 Nov 94)

Zou Jiahua Attends Contract Ceremony—The China Lianhe Telecommunications Company signed contracts in Beijing recently with Siemens of Germany and Motorola of the United States on imports of digital

mobile telecommunications equipment. Vice Premier Zou Jiahua attended the contract-signing ceremony. (Beijing Central Television Program One Network in Mandarin 1100 GMT 9 Nov 94)

Song Renqiong Visits Beijing Exhibition—A calligraphy exhibition featuring quotes from the *Selected Works of Deng Xiaoping* in a young calligrapher's handwriting opened in the China Gallery in Beijing on 10 November. Song Renqiong attended the opening ceremony. (Beijing XINHUA Domestic Service in Chinese 1427 GMT 10 Nov 94)

Bo Yibo Greets Trademark Meeting—A three-day national meeting on trademark protection closed in Chengdu on 10 November. Bo Yibo wrote a letter to the meeting which reads: "Since the 14th Party National Congress set the reform objective of establishing socialist market economy, enterprises and departments at various levels have attached greater and greater importance to quality and brand of products. Local governments at all levels have made efforts to promote quality and brand names. This is a symbol of renaissance of our national economy, as well as a major strategy for Chinese products to enter the world market." "Quality and brand are closely related. Generally speaking, brand names guarantee good quality. No consumer wants to buy brand-name products of poor quality. For this reason, the most basic strategy for developing brand names is to improve quality and to develop brand names on the basis of good quality." (Beijing XINHUA Domestic Service in Chinese 0632 GMT 10 Nov 94)

Hu Qili Attends Sino-Japanese Venture Opening—The China Hualu-Matsushita VCR Company, a joint venture of the China Hualu Electronics Company and Japan's Matsushita Electric Industrial Company, began operation on 8 November. (Video shows Hu Qili, minister of electronics industry, at the opening of the joint venture.) (Beijing Central Television Program One Network in Mandarin 1100 GMT 10 Nov 94)

Li Peng Writes Inscription for Mindong Soviet Area

HK1411085894 Fuzhou Fujian People's Radio Network in Mandarin 2300 GMT 10 Nov 94

[FBIS Translated Excerpt] Yesterday morning, several thousand cadres and the masses in Mindong held a grand meeting on the Fuan Sports Grounds to commemorate the 60th founding anniversary of the Mindong Soviet Area. Party and state leaders including Li Peng, Liu Huaqing, Wang Zhaoguo, and Chen Junsheng wrote inscriptions for this commemoration. Li Peng's inscription reads: Develop the tradition of the old revolutionary base, invigorate Mindong's economy. Liu Huaqing's inscription reads: Never forget the spirit of hard struggle, speed up the pace of reform and opening up.

Provincial leaders Jia Qinglin, Chen Minyi, Liu Dexin, Lin Kaiqin, He Shaochuan, and Yuan Qichong also

wrote inscriptions for this commemoration. Provincial CPC Secretary Jia Qinglin, Governor Cheng Mingyi, and Fuzhou Mayor Xi Jinping sent congratulatory messages to the meeting. [passage omitted]

Sixty years ago, under the leadership of the CPC, the Mindong people established the Mindong Soviet Power and built the Mindong revolutionary base area covering 11 counties and included 100,000 people, thus adding a glorious chapter to the party's history.

Lin Zhaoshu, member of the provincial party committee and secretary of the provincial Discipline Inspection Commission, addressed the meeting saying: The Mindong people made great contributions and great sacrifices during the prolonged period of revolutionary struggle. Today when we are commemorating the 60th founding anniversary of the Mindong Soviet Area, we all cherish the memories of the revolutionary martyrs who made great contributions to the people. We must carry forward their behest, deepen reform, expand the opening up scope, expedite economic construction and the socialist cause, fulfill the tasks left behind by our predecessors, and courageously advance along the road of building socialism with Chinese characteristics. [passage omitted]

NPC Vice Chairmen Commemorate Scientist's Career

OW1111153294 Beijing XINHUA in English 1513 GMT 11 Nov 94

[FBIS Transcribed Text] Beijing, October 11 (XINHUA)—An exhibition featuring the life and work of Zhou Peiyuan, a renowned Chinese scientist, educationist and social activist, opened here today to mark the first anniversary of his death.

Lei Jieqiong and Lu Jiaxi, both vice-chairman of the Standing Committee of the National People's Congress [NPC], attended the opening ceremony and cut the ribbon for the exhibition, which is sponsored by the "Zhou Peiyuan Foundation" and is also a major part of the ongoing "Sixth International Science and Peace Week".

For most of his life, Zhou, who was born in 1920, was engaged in comprehensive research into Einstein's general theory of relativity, the theory of the universe's formation and the theory of turbulence, for which he was known as the patriarch of China's theoretical physics.

Owing to his remarkable academic accomplishments, Zhou was not only dubbed the founder of the theory of turbulence, but was also regarded as one of the scientists who contributed most to the field of fluid mechanics.

In addition, Zhou once did research at Princeton University, where he was the only Chinese scholar under the personal instruction of Einstein.

As an educationist, Zhou taught at Qinghua and Beijing Universities. At Qinghua he was the first professor working solely on theoretical physics.

Besides, Zhou held key posts in the Chinese People's Political Consultative Conference and other bodies.

Furthermore, he was an active participant in international peace movements. He took part in the founding the "World Conference on Science and Peace Affairs".

Jiang Chunyun Meets Regional Delegations

SK1211102294 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 11 Nov 94

[FBIS Translated Text] On the morning of 11 November, Jiang Chunyun, a member of the Political Bureau and a member of the Secretariat of the CPC Central Committee, cordially called on and bid farewell to responsible persons of various provincial democratic parties, responsible persons of the provincial industrial and commercial federation, and representatives of personages without party affiliation.

At 0900 that morning, Jiang Chunyun travelled to the building of the provincial democratic parties, accompanied by Zhao Zhihao, secretary of the provincial party committee and governor of the province; by Han Xikai, deputy secretary of the provincial party committee; and by Han Yuqun, Standing Committee member of the provincial party committee and head of the united front work department of the provincial party committee. There he shook hands and had warm talks with responsible persons of various provincial democratic parties, with responsible persons of the provincial industrial and commercial federation, and with representatives of personages without party affiliation, all of who were awaiting Jiang Chunyun.

Jiang Chunyun stated: Shandong's achievements in reform and construction are inseparable from your concerted efforts. In particular, when I held the position of secretary of the provincial party committee, the provincial party committee and I myself garnered your great support. I would like to express my heartfelt thanks to you, to all members of democratic parties and the industrial and commercial federation, and to non-party personages.

Jiang Chunyun pointed out: The 16 years since the convocation of the third plenary session of the 11th CPC Central Committee is a period with the most rapid and best development in Shandong's history. The great contributions of the members of various democratic parties, the members of the industrial and commercial federations, and non-party personages are also included. Jiang added: Over the past several years, you have taken an active part in and have positively discussed government affairs, and have offered very good opinions and proposals for the major policy decisions of the province and for the work of the provincial party committee and provincial government. You have also played an important role in promoting foreign economic relations and trade as well as the great cause of peaceful reunification of the motherland by utilizing your advantage of having extensive contacts with

foreign countries. At the same time, personages without party affiliation have earnestly performed their supervisory function, thereby effectively promoting the in-depth progress of the province's campaign of improving party style and administrative honesty.

Zhao Zhihao also spoke on the occasion. He expressed hope that responsible persons of democratic parties and industrial and commercial federations, as well as non-party personages, would continue to show concern over and support for the work of the provincial party committee and provincial government, and would make concerted efforts to continue the good development of Shandong.

Also speaking were representatives of the provincial committees of the Revolutionary Committee of the Kuomintang; of the China Democratic League; of the China Democratic National Construction Association; of the China Association for Promoting Democracy; of the Chinese Peasants' and Workers' Democratic Party; of the China Zhi Gong Dang; and of the Jiusan Society. Also speaking were representatives of the provincial industrial and commercial federation and personages without party affiliation.

Official: Oppose Nepotism in Party Promotions

OW1111060594 Beijing XINHUA in English 0556
GMT 11 Nov 94

[FBIS Transcribed Text] Beijing, November 11 (XINHUA)—A senior official of the Chinese Communist Party has stressed the importance of "promoting officials in accordance with the party's principle of placing equal emphasis on political integrity and ability".

The official, a leader of the Organization Department of the party Central Committee, said that in promoting new officials it is imperative to oppose nepotism and halt various kinds of misconduct.

He said that training and promoting large numbers of leading officials with political integrity and ability, especially younger ones, is an "urgent strategic task" set by the recently-held Fourth Plenary Session of the 14th party Central Committee.

Essential to the long-term stability of the party and the country and the success of the reforms, the opening up and modernization drive, are party and leading officials at or above the county level, he pointed out.

The party has always followed the principle of promoting officials based on their merits and opposing nepotism, whether during revolutionary wars or in the period of socialist construction, he said.

He added that in the current period of reforms and opening to the outside world since 1979, the party has followed a principle of making the ranks of officials more politically aware, younger, better educated, and professionally more competent.

Since 1982, he said, 360,000 officials throughout the country have been promoted to posts at or above the county level, while 445,000 officials at or above the same level have retired. Over the past few years, senior party leaders have repeatedly emphasized the need to take effective measures to halt bad practices in promoting new officials.

To this end, the official added, while organizing party members to study Deng Xiaoping's theory of building socialism with Chinese characteristics, party organizations at all levels must educate them in the importance of following the party's organizational line and opposing bad practices.

The official also asked party committees and personnel departments at various levels to introduce and improve organizational systems and systems of supervision by the people and mass media organizations.

He expressed the belief that by halting incorrect practices in promoting new officials, the party will further enhance its prestige among the people and have more outstanding officials to make the reforms, the opening up, and the modernization a complete success.

CPC Official Discusses Unhealthy Practices

OW1111104594 Beijing XINHUA Domestic Service in Chinese 2102 GMT 9 Nov 94

[FBIS Translated Text] Beijing, 10 Nov (XINHUA)—A person in charge of the CPC Central Committee Organization Department made a statement regarding the department's recent "Circular on Resolutely Preventing and Correcting Unhealthy Practices in Selecting, Promoting, and Appointing Cadres" [the "circular"].

The person in charge pointed out: The "Decision on Some Major Issues Concerning Strengthening Party Building" [the "decision"], adopted by the Fourth Plenary Session of the 14th CPC Central Committee, stressed the need to thoroughly carry out the guiding principle of making cadre ranks more revolutionary, younger in average age, better educated, and professionally more competent [the "guiding principle"]; and to carry out the principle of selecting, promoting, and appointing cadres only with political integrity and ability. The "decision" said we should oppose appointing people only based on personal relationship; should resolutely prevent and correct unhealthy practices in appointing people; and should seriously deal with those who do not abide by the party's principles, who violate organizational and personnel discipline, or who engage in unhealthy practices in appointing people. The CPC Central Committee Organization Department "circular" was formulated according to Fourth Plenary Session guidelines and in consideration of the actual situation of cadres and personnel management work. It is an important measure for carrying out the "decision's" guidelines. Resolutely carrying out the "circular's" guidelines in an all-around manner has extremely great

significance for correctly carrying out the "guiding principle" and the principle of having both political integrity and ability; for strengthening the building of cadre ranks, especially leading bodies; for establishing closer relations between the party and the masses and between cadres and the masses; for maintaining the overall situation of reform, development, and stability; and for ensuring the smooth advance of our socialist modernization drive.

We believe that, as long as party committees and organization and personnel departments at all levels, especially leading cadres at all levels, resolutely carry out the "circular's" various guidelines, we will be able to truly solve problems in selecting, promoting, and appointing cadres, and to resolutely check unhealthy practices in selecting and appointing people.

The person in charge pointed out: Educating, selecting, and promoting leading cadres with both political integrity and ability—particularly outstanding young cadres—and bringing up a large number of leaders who can shoulder heavy responsibility through to the next century, is an extremely pressing strategic task entrusted to the whole party by the Fourth Plenary Session. Our party, particularly leading cadres at or above county level of the party and government, is the key to unwaveringly upholding the party's basic theories and line; to maintaining long-term stability and peace of the party and country; and to continuing to advance our reform, opening up, and socialist modernization. Therefore, correctly and properly selecting leading cadres at all levels is an issue that affects the overall situation; as such, it should draw great attention from party organizations and leading cadres at all levels.

One thing that is noteworthy: Unhealthy practices—which are currently prevalent among some localities, departments, and units—have disrupted the normal order of selecting, promoting, and appointing cadres; affected the implementation of the "guiding principle" and the principle of having both political integrity and ability; and impaired the party's image and prestige. We should realize that unhealthy practices in selecting and appointing people are a kind of political corruption—an important factor that brews unhealthy practices in other areas. If this problem is not solved, it will be difficult to maintain the purity of the cadres' ranks, and it will weaken the uniting force and combat effectiveness of our leading bodies and dampen the masses' initiative. Party organizations and leading cadres at all levels must regard opposing and correcting unhealthy practices in appointing people as a deed to carry out the Fourth Plenary Session's "decision." They should deepen their understanding; formulate measures to carry out the work and ensure that good results are achieved; and select, promote, and appoint cadres in a healthy and orderly manner and strictly in accordance with party principles.

The person in charge said: Whether it was during the revolutionary war or the socialist construction period, our party has always insisted on appointing people on

merit and opposed appointing people through personal relationships; as such, we have selected and promoted large numbers of outstanding people to govern the party, military, and country. Since the Third Plenary Session of the 11th CPC Central Committee, our party has carried forward the good tradition of selecting, promoting, and appointing cadres, which was formed over the years; has brought up new ideas in view of new historical conditions; and has set forth the "guiding principle" for building up cadre ranks. Following this "guiding principle" and the principle of having both political integrity and ability, party committees and organization and personnel departments at all levels have done a great deal of fruitful work, enabling large numbers of outstanding cadres, who have adhered to the line of reform and opening up, who have stood out in performing their political work, and whose contributions have been affirmed by the masses, to be promoted to leading positions at all levels.

Since 1982, 360,000 cadres have been selected to assume or been promoted to leading positions at or above county level in the party or government; at the same time, 445,000 leading cadres at or above county level in the party and government have completed retirement (with honors) paperwork, thus smoothly accomplishing the historical task of replacing old cadres with new. In 1986, summing up the experience gained from reforming the cadre management system, the CPC Central Committee issued the "Circular on Selecting, Promoting, and Appointing Cadres Strictly According to Party Principles." This circular not only reiterated the established principles and requirements for selecting, promoting, and appointing cadres, but also set forth detailed rules concerning the procedures for selecting and promoting cadres, thus enabling work on selecting, promoting, and appointing cadres to be carried out smoothly. The fact that, over the last decade and more, the party's basic line has been thoroughly carried out and tremendous achievements drawing worldwide attention have been made in the country's reform, opening up, and modernization are closely connected to the fact that party committees and organization and personnel departments at all levels have strictly abided by the party's principles; energetically selected, promoted, and appointed cadres with both political integrity and ability; and strengthened the building of leading bodies.

While fully affirming the good results in selecting, promoting, and appointing cadres, we should realize that problems exist. Some people do everything they can to seek personal connections and to look for the back door, or hunt and ask for a government post by hook or by crook. Some leading cadres are unprincipled—they select or appoint people based on their personal favor and feelings, form cliques or gangs, do not abide by the party's discipline, do anything they like regarding personnel affairs, even hand out official posts and make promises on their own, or offer official posts to others as gifts. Still, some units do not do things according to established procedures; and their leaders like to make

extempore suggestions concerning cadre issues and do things according to the opinion of one person or a small number of persons. As a result, some people who should not have been appointed or who have problems of various kinds are appointed or promoted.

Our party has always called for appointing people in a fair and upright manner. Over the last few years, the party Central Committee and central leading comrades have repeatedly seriously criticized unhealthy practices in appointing people, and have demanded that these unhealthy practices be truly corrected. The Fourth Plenary Session "decision" again expressly set forth guidelines for solving this problem. The CPC Central Committee Organization Department also has done a great deal to solve the problem; has investigated and analyzed the problem; and, based on information provided by the masses, has directly investigated or instructed concerned localities or departments to investigate those who have engaged in unhealthy practices in selecting or appointing people. However, this problem still exists to varying degrees in some localities, departments, and units; and the problem is very serious in some of them. Leading comrades at all levels should fully understand and pay great attention to this problem's damaging effects, and should take effective measures to prevent and correct these unhealthy practices. Only after this problem is properly solved can cadre work better serve the party's basic line and provide effective organizational assurance for advancing reform, opening up, and the socialist modernization.

The person in charge emphatically pointed out: Currently, following the "circular's" six guidelines, party committees, leading cadres, and organization and personnel departments at all levels should do work in this regard in a down-to-earth manner; and they should particularly focus their efforts on the following links:

First, it is necessary to strengthen education. While organizing cadres to study Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, party committees at various levels should regard the correct adherence to the party line on cadres and the opposition and rectification of unhealthy practices with regard to personnel employment as a part of their practical work, enhance party spirit, persist in appointing people on merit, oppose appointing people through favoritism, earnestly find manifestations of unhealthy practices with regard to personnel employment, analyze the reasons for unhealthy practices occurring, and propose methods to rectify these practices. It is necessary to conduct education on serving the people wholeheartedly among cadres, particularly the leading cadres; adopt a correct attitude toward fame, power, and official positions; and refrain from being particular about high or low official positions. In employing cadres, it is necessary to adhere to the principle of democratic centralism, strictly follow the relevant rules and procedures, and uphold the practice of reaching decisions on cadres through party committees' collective discussions.

It is necessary to conduct education on professional ethics among organization and personnel department comrades, and earnest efforts should be made to ensure fairness and uprightness. Prevention and rectification of unhealthy practices with regard to employment of personnel depends mainly on leaders, and the key to this is determination.

Leading cadres at various levels, particularly principal leading cadres, should set an example; they should not be afraid of giving offense, should do a good job in employing personnel, consciously act according to party principles, strictly observe discipline in cadre and personnel work, criticize and educate those who hunt and ask for government posts, and never yield to unhealthy practices. They should adopt a clear-cut stand and resolutely resist and earnestly investigate and handle unhealthy tendencies that have cropped up in their localities, departments, and units.

Second, it is necessary to establish and improve various systems. This is a way to get to the root of problems. Existing systems and stipulations should be earnestly implemented. In selecting, promoting, and appointing cadres in recent years, various localities have made many explorations in following the mass line, developing democracy, and enhancing transparency and participation by the masses—for example, recommendation through a democratic process, public opinion polling, and appraisal of leading cadres through a democratic process. These experiences should be summed up in earnest and carried on and institutionalized. To effectively prevent and avoid unhealthy practices in personnel employment, it is necessary to establish a new personnel employment mechanism by deepening reform. To standardize and institutionalize the work of selecting, promoting, and appointing cadres, and acting upon the Fourth Plenary Session "decision's" requirements and after conducting investigations and studies, the CPC Central Committee Organization Department is in the process of formulating interim regulations governing the work of selecting, promoting, and appointing party and government cadres. This document will be distributed to lower-level units after the Central Committee approves it, and it will be strictly implemented in practical work.

Third, it is necessary to strengthen supervision. Party committees and organization and personnel departments must strengthen examinations of the implementation of rules and regulations governing cadre and personnel work and enhance organizational supervision, supervision by the masses, higher-level units' supervision of lower-level units, and supervision by public opinion. With discipline and supervisory departments, organization and personnel departments should regularly analyze and study the building up of leading bodies and related problems. Good leading bodies should be publicized and commended while those not up to the mark should be criticized and helped. Anyone who resorts to unhealthy tendencies in personnel employment by ignoring party principles must be handled

solemnly and resolutely corrected once he is discovered, no matter who he is; if the case is serious, a circular should be issued to expose him.

In conclusion, the responsible person said: Functioning under party committees as a unit in charge of cadre work, organization departments bear very important responsibility for selecting, promoting, and appointing cadres in accordance with party principles and for combating unhealthy tendencies in the use of personnel. Organization departments at various levels must strengthen their self-building in earnest, constantly enhance their quality, cultivate noble professional ethics, improve their thinking and work style, and earnestly carry out their duties. Under the party Central Committee's leadership, party committees at all levels should attach great importance to these matters and relevant departments should closely coordinate with party committees. All sectors of society should be mobilized to thoroughly carry out instructions to the letter and to resolve problems one by one in accordance with the "circular's" requirements. In this way, we will be able to check unhealthy practices in personnel employment, guarantee cadre quality, and enhance the party's high prestige among the masses of people, thereby providing a strong organizational guarantee for selecting and promoting outstanding cadres with both ability and integrity for reform, opening up to the outside world, and the modernization drive.

Commentator on Selection, Promotion of Cadres

HK1411100094 Beijing LIAOWANG in Chinese No 45,
7 Nov 94 p 1

[Commentator's article: "It Depends on Man"]

[FBIS Translated Text] The Decision of the CPC Central Committee on Several Major Problems Regarding Strengthening of Party Building pointed out: "Selecting leading cadres who have integrity and ability and training others into such cadres is an important issue which has a bearing on the overall situation."

Comrade Deng Xiaoping pointed out: "Speaking from a certain sense, whether the affairs of China can be run well or not; whether socialism, reform, and opening up can be upheld or not; whether the economy can develop faster or not; and whether the country can enjoy long-term stability and order or not depends on man."

Comrade Mao Zedong pointed out: "After the political line is fixed, cadres are the determining factor."

The above-mentioned expositions illustrate that the party's organizational and political lines are closely linked together, and that political line determines organizational line, which serves the political line.

Following the party's overall arrangements, the Fourth Plenary Session of the 14th CPC Central Committee has decided to earnestly grasp the party's organizational

building at the same time as seriously grasping ideological building and work style building. This is the strategic goal of development aimed at realizing the "three-step development" of our country's national economy in light of the complicated international environment, this is the need of the great undertaking of building socialism with Chinese characteristics, and this is also the need of our party's self-development. Party building is a new great project, and training and selecting leading cadres who have integrity and ability is a crucial project within this great project. To accomplish this crucial project, two things need to be done well: First, improve the quality of current cadres; and second, select and train outstanding century-transcending leading personnel. This is a project that will last for a century.

What are the criteria for being outstanding and having both integrity and ability? Integrity means that one must have firm political faith and uphold the party's basic theory and basic line; emancipate the mind, seek truth from facts, be practical and innovative, and keep exploring and advancing; pay attention to party spirit, consider the overall situation, and pay an exemplary role in promoting democratic centralism; and have an excellent work style, cherish hard work and plain living, and care for the masses. Ability means that one must have strong leading ability, be skillful in controlling the overall situation, and have basic knowledge of the socialist market economy, modern scientific and technological knowledge, and modern management knowledge. To sum it up, the person must be a politician who must be loyal to Marxism, resolute in following the road of socialism with Chinese characteristics, and know how to run the party and the country on the one hand, and on the other hand, the person must be one who has knowledge, knows how to run business, and is capable in his own trade. The great significance of this matter must be understood from the strategic heights and century-transcending demands, and there has to be a sense of urgency when we select cadres who have both integrity and ability and promote them to leading groups at various levels.

In selecting outstanding young cadres we must remove some incorrect concepts, for example, arranging seniority according to years of service, saying something like "no hair above the mouth not dependable when doing things," and the mentality of not feeling at ease when using young cadres; a way of thinking that demands perfection, ignores the major aspects and overall performance, and "uses a microscope to pick up shortcomings"; and the subjective and despotic way of thinking that does not listen to ideas thoroughly and solicit opinions extensively but judges and selects personnel according to one's own taste. Therefore, we must broaden channels to admit good personnel and should not select them according to a rigid pattern, and we must build vigorous mechanisms which are full of vitality and are conducive to allowing outstanding personnel to merge above others when we select and appoint personnel, and these mechanisms include the selection,

appointment, assessment, exchange, supervision, and inspection of cadres. What is particularly important is to resort to democratic recommendation, opinion polls, or democratic assessment; to follow the mass line and listen to discussions by the masses; and in a planned manner, send outstanding young cadres to the grass-roots levels where conditions are harsh, duties are heavy, and difficulties are numerous so that they can shoulder responsibilities, acquire experience, and become capable personnel as soon as possible. In the past, people thought that the selection of a wrong cadre was the king of work mistakes, because it would bring about losses to the work; in fact, we must also consider that if we miss "a horse which can run a thousand miles" and let time pass without producing good personnel, this should also be viewed as a kind of work mistake, because this can also bring about losses to work.

Earnestly strengthening training and education for current leading cadres is a big matter which is as important as selecting leading personnel. Using but not educating cadres is long-term behavior which lacks foresight.

We should realize that a great majority of our cadres and party members firmly remember the party's purpose of serving the people and have worked wholeheartedly during reform, opening up, and socialist modernization. However, a small number of them have forgotten the party's basic purpose and excellent work style, for example, when faced with the continuously emerging new conditions and new problems in the new period they do not carry out research and investigation, but engage in subjectivism, pursue empty titles, try to please the public with claptrap, and engage in formality; do not seek progress, do not plan for tomorrow, and neither nod nor shake their heads when there are problems; are fond of enjoyment, pursue extravagance which is not affordable to the country and the people, give jobs to relatives, ignore what is right and wrong, and are eager to "squeeze inside the nest"; allow individualism to swell, reap private interests at the expense of public interests, hurt other people in order to benefit themselves, create false data and figures, submit false and exaggerated reports, claim undeserved achievements and honors, ignore the overall situation, turn a blind eye to overall interests, and provide lip service when implementing policies announced by the central authorities; and they become lazy and negligent in their duties, but try hard to "lobby for official positions" and ask for official positions and so on.

We must take effective measures to earnestly strengthen education for cadres so that they can establish the correct outlook on life and on the world, and increase readiness for implementing the party's basic line. Those who affect the party's undertakings adversely and hurt the people's interests should be seriously handled.

The purpose of selecting leading cadres who have integrity and ability and training others into such cadres is to improve the quality of the party's cadre contingent and

to ensure that the party's cadre contingent undergoes a process of metabolism so that the party has a leading strata which is full of vitality. By doing this job well, and doing a good job in building the party's grass-roots organizations and in upholding and perfecting democratic centralism, we will enable the party's organization to become stronger and more solid, and as a result, the great undertaking of building socialism with Chinese characteristics is guaranteed in organizational terms to move from one victory to another.

Article on Increasing Sense of 'Overall Situation'

HK1411064894 Beijing RENMIN RIBAO in Chinese
7 Nov 94 p 5

[Article by Luo Haifan (5012 3189 5672): "Increase Sense of Overall Situation and Defend Authority of Central Government"]

[FBIS Translated Text] We are now facing the important topic of increasing our sense of the overall situation, defending the authority of the central government, and ensuring that the decrees of the central government are not blocked. Studying Comrade Deng Xiaoping's relevant expositions will be of great guiding significance to our correct handling of the relationship between the whole and part and to promoting the healthy growth of reform and construction.

The socialist market economy is not a laissez-faire liberal market economy. Instead, it is a modern market economy under the government's macroeconomic regulation and control. Hence, further increasing our sense of the overall situation is the objective requirement for establishing a socialist market economic system. It is also the ideological guarantee for improving the system of macroeconomic regulation and control and the essential condition for speeding up the establishment of a socialist market economic system. To constantly deepen economic reform and ensure its healthy growth, it is necessary to adopt effective measures to help the broad ranks of cadres and masses firmly foster and increase their sense of the overall situation.

Viewed from the angle of the party and government, a sense of the overall situation should be a sense of administration. As our party is the ruling party and the government departments are management departments, it is necessary to have the overall situation in mind and to proceed from the overall situation while thinking about and handling problems. Comrade Deng Xiaoping expected party leaders and cadres to consciously change their style and take the overall situation into account while considering any problem. He said: "It is no easy job to lead such a country! The responsibilities vary. The most important thing is to be broadminded. It is necessary to look at problems from an overall point of view and have in mind the whole world, the future, the current situation, and everything."

A leader who is not good at examining and handling problems from an overall point of view is not a qualified

leader. Hence, increasing the sense of the overall situation should be an important item in the building of ideological style for the leading bodies at all levels. The government departments at all levels should consciously change their functions, increase their sense of the overall situation, do a good job of macroeconomic regulation and control, and properly resolve the major problems which have a bearing on the overall situation of the national economic and social development.

Viewed from the angle of society as a whole, a sense of the overall situation should be a sense of a citizen. The strength of a country lies in the consciousness and political qualities of the masses, that is, an attitude toward the country's life. To ensure effective operation of the country's mechanism of macroeconomic regulation and control, the party and government departments should increase their sense of the overall situation. In addition, all the people should also increase their sense of the overall situation, consciously abide by the law and discipline, enforce the policies, and submit themselves to the government's macroeconomic regulation and control so that the sense of the overall situation can become a sense of the citizens. For this reason, Comrade Deng Xiaoping emphasized that in the course of reform and opening up, it is necessary to strengthen the building of socialist spiritual civilization and encourage the spirit of taking the overall situation into account. "In a socialist society, the fundamental interests of the state, collective, and individuals are identical. If there are contradictions, the interests of individuals should be subordinate to those of the state and collective... We should publicize this lofty moral value among all the young people."

To meet the needs of the market economy, the increase in the sense of the overall situation should be focused on increasing a sense of the whole and submitting interests of the individuals to those of society as a whole; increasing a sense of law and discipline and consciously abiding by law and discipline; and increasing a sense of the masses and making concerted efforts to do work well. The socialist market economy can develop healthily only when such an atmosphere prevails in society as a whole.

An important aspect in increasing a sense of the overall situation at present is to be good at proceeding from the overall situation and correctly understanding and handling the following three relations so as to ensure smooth implementation of the central government's decrees and effectiveness of the state's macroeconomic regulation and control.

First, the relationship between centralism and decentralism. Viewed from the relations between the central and local departments, the relations between the whole and part are manifest in the relations between centralism and decentralism. To establish a new regulation and control system, it is necessary to adhere to the principle of integrating centralism with decentralism. To maintain the sustained, rapid, and healthy growth of China's economy, which is a unified country with many nationalities, we need unified policies and overall planning and

distribution by the central authorities, which can make the most of the limited resources and capital. At the same time, China has a vast territory where economic development is uneven between different regions. Therefore, it is necessary to implement a decentralized management system under leadership of the central government.

Specifically speaking, it refers to exercising management over major issues while allowing flexibility over minor ones and arousing the enthusiasm of the central and local authorities. "The central makes directives and exercises powers over major issues and matters of orientation." Some localities and departments proceed from their own interests while thinking of problems and handling affairs, irrespective of the state's overall distribution. They blindly vie for capital and develop projects, thus affecting the overall efficiency of economic construction. This runs counter to the laws governing a socialist market economy. It is the manifestation of weakened macroeconomic regulation and control that each goes its own way, fights with each other, and counteract each other's efforts.

To strengthen macroeconomic regulation and control, it is necessary to genuinely establish the authority of the central government and indicate that the central government means what it says. The localities, as the part, should be conditioned by the central government and be subordinate to and serve the central government's work. For this reason, it is necessary to further enhance the sense of "taking the whole country into account," encourage the spirit of stressing and taking the overall situation into account, and advance in coordination.

Second, the relationship between discipline and freedom. Viewed from the relations between the organization and its members, the relations between the whole and part are expressed in discipline and freedom. "The relationship between discipline and freedom is one of unity of opposites and the two are inseparable and indispensable. How can we unite and organize in such a large country as ours? We should rely on ideals and discipline." Party members must strictly abide by party discipline. "The highest criterion of discipline observation is genuinely safeguarding and resolutely implementing the policies of the party and state." In recent years, however, there has been an increase in unhealthy practices and various forms of "countermeasures" which violate the law, discipline, and policies. Discipline is loose in some localities and units. They defy the decisions and plans of the party and government and refuse to carry out orders. To put an end to such state of affairs, it is necessary to further enhance a sense of the overall situation, improve the party's principle of democratic centralism, and definitely guarantee implementation of the individual being subordinate to the organization, the lower level to the higher level, the minority to the majority, and the entire membership to the central committee. Whatever is decided by the Central Committee must be implemented resolutely, swiftly, and forcefully. On the premise of

observing discipline and enforcing the policy, all localities and units should independently make flexible arrangements in light of their practical conditions. In other words, they should safeguard the prestige of the CPC Central Committee and State Council as well as give full play to the initiative and enthusiasm of the localities and departments.

Third, the relationship between principle and creativeness. Viewed from the relations between universality and peculiarity, the relations between the whole and part are expressed in the ties between principle and creativeness. Sticking to principle means resolutely implementing the party's line, principles, and policies. It is necessary to give full play to the initiative and enthusiasm of the localities. Nevertheless, giving full play to the initiative and enthusiasm of the localities should be an integration of the central spirit with local reality and unity of being responsible to the people of the locality and the country as a whole. In the macro sense, the principles, policies, decisions, plans, and tasks of the CPC Central Committee and State Council represent the fundamental interests of the people of all nationalities. They must be resolutely implemented as this is tantamount to safeguarding and ensuring the interests of the whole.

In recent years, we have witnessed the failure of some localities and units in implementing the repeated injunctions of the CPC Central Committee and State Council. Using various excuses, some have even put aside the principles established by the central authorities and gone their own way. Such behavior must be resolutely corrected. Principle and creativeness form a dialectical unity. There will be no vitality and everything will be lifeless if we stick to principle without creativeness; people will do as they like and everything will be in confusion if we pursue creativeness without principle. Both tendencies are unfavorable to the state's macroeconomic regulation and control as well as to the development of reform and construction. We must stick to principle and have the courage to blaze new trails. Based on upholding the central government's major principles and policies, we should appropriately integrate the party's line, principles, and policies with the specific reality of each locality and unit; seek truth from facts; emancipate the mind; use our brains; think independently; and creatively carry out our work.

Dissident Zhang Zongai Said Released From Prison

HK1411081094 Hong Kong EASTERN EXPRESS in English 14 Nov 94 p 8

[FBIS Transcribed Text] A Xian dissident, Zhang Zongai, has been released from prison after serving a five-year term for his role in the 1989 protests in the city. Zhang emerged healthy and in relatively good spirits from the Shaanxi No. 2 Prison in Weinan, a city just east of Xian, in early September, according to friends who saw him recently.

Public security officials told Zhang to leave Xian immediately after his release, explaining that "his type were not wanted" in the city, according to the friends. The order forced Zhang, a former university professor and local people's congress delegate, to leave the city within days of his release, leaving behind a wife and child.

Zhang is now living in Shenzhen, where he is helping to support fellow political exiles from Xian living in southern China, the friends added. He becomes the second prominent political prisoner in the Shaanxi capital to be released this year, following the freeing in June of the dissident editor Li Guiren.

Li also served a full five-year term on charges of "incitement to overthrow China's socialist system" after organizing a strike in the city in June 1989 to protest against the massacre in Tiananmen Square.

While China's official New China News Agency (Xinhua) made a special announcement of Li's release following the completion of his term, no official announcement was made regarding Zhang, apparently because his case had attracted less attention from foreign governments.

Human rights groups said the release of four dissidents released last week was aimed at smoothing relations with the United States before diplomatic meetings in Jakarta this week.

Authorities in Xian are considered to be among the nation's toughest when it comes to clamping down on dissent, which remains widespread among intellectuals in Shaanxi due to the province's lack of economic opportunities compared to other booming cities and coastal areas. Members of a banned group in the city, which formulated a "Peace Charter" on China's human rights this year, have been frequently detained and harassed, sources said.

A Hangzhou-based leader of the 1989 protests, Wang Youcai, was detained for 24 hours when he went to visit friends in the city last month, the sources added.

Xian was a regional hotbed of protest during the 1989 movement, according to a study by James Tong of the University of California at Los Angeles. Open demonstrations broke out in mid-April only a few days after they began in Beijing, and were recorded officially for 30 days thereafter, the fifth highest number in the country behind Beijing, Shanghai, Tianjin and Nanjing, the study said.

The heavy-handed tactics of Xian authorities since then have forced many liberals to flee the city. Many headed for the economic opportunities and relative obscurity of southern China.

Some have attempted to escape from the country through Hong Kong. At least two of them are known to be residing in the territory awaiting the approval of political asylum in a third country.

Lecturer Tried for Revealing Deng Letter

HK1111062394 Hong Kong HONGKONG STANDARD
in English 11 Nov 94 p 6

[By Amy Liu]

[FBIS Transcribed Text] A Chinese lecturer was charged last month with "leaking state secrets" for printing a letter of self-criticism written by Deng Xiaoping in the 1970s and widely circulated at that time.

Yu Xiguang, 37, a lecturer in the Party School of the Chinese Communist Party Central Committee, was tried secretly last month after being detained for more than a year. A verdict is pending.

Two others people were also involved in the case: Bok Weihua, a researcher on party history and Xiao Dong, an army officer, sources said.

The book, *Mu Se Feng Yuan* or *The Stormy Twilight*, detailed a letter in which Deng criticised himself before party bosses.

In 1973 when Chairman Mao Zedong was considering him for an important post, Mr Deng wrote a letter to Mao pledging that he would never reverse the course of the Cultural Revolution and admitting serious mistakes he had made in his career.

After Mao's death and the demise of the "Gang of Four" in the late 1976, Mr Deng again wrote a similarly self-critical letter to the central committee and then-party chairman Hua Guofeng, whom he later displaced from power. It is not yet clear if Yu's book features both of the letters. The work was banned as soon as authorities discovered its existence, Chinese sources said.

Gao Yuanbing, wife of Yu, complained the court did not inform her of the whereabouts of her husband, who has been detained for almost one year.

"I don't know what the crime my husband committed and where he is. Police have never contacted me", Ms Gao told The Hongkong Standard from Beijing yesterday. She said she missed her husband very much and so did her seven-month old baby. "I was pregnant when he was arrested last year and the baby has never seen its father".

Yu was taken from his office in Beijing on 27 December.

Ms Gao said she learned through private channels that the court tried him two weeks ago, but no verdict had yet been passed.

Meanwhile, Gao Yu, a journalist who was also accused of leaking secrets, is still being detained.

Chinese sources said her crime file was still in the hands of the Beijing Intermediate Court. But a spokeswoman said earlier that the court had ordered prosecutors to

find more evidence to support their charges. Sources said Gao's case, which has drawn worldwide interest, would be heard soon.

In addition, Beijing has sentenced an official to jail for three years for leaking state secrets to a journalist.

Yu Meisun, 41, formerly a director of the State Council General Office, had shown State Council documents to a journalist from the Shanghai Wen Wei Pao [WEN HUI BAO] newspaper who copied the papers and used them in his reports.

The Shanghai journalist had been investigated and released but has since been removed from his post.

Journalist Gao Yu Sentenced to 6 Years in Jail

*HK1211053094 Hong Kong MING PAO in Chinese
12 Nov 94 p B1*

[Special Dispatch: "Gao Yu Sentenced to Six Years in Jail"]

[FBIS Translated Text] Gao Yu, a female journalist in Beijing, who has been under arrest for one year, was sentenced to six years' imprisonment a few days ago by the Beijing Intermediate People's Court in the first instance. It has been learned that the court has verbally notify Gao's family about the sentence and that her family members are talking to her lawyer about her appeal.

A reporter from this newspaper interviewed Gao's defense counsel Zhang Sizhi yesterday. According to Zhang, neither Gao's lawyer nor her family members were present when she was sentenced. Zhang was not verbally notified of the sentence until two days ago. Furthermore, the written verdict had not been sent to him, so he was unclear about precisely which crimes Gao had been convicted of. Zhang said that Gao's family had commissioned him to lodge an appeal with the Beijing Higher People's Court, adding that he would do so in 10 days and was currently making preparations.

Zhang acted as the defense counsel for Wang Juntao, a leader of the 1989 pro-democracy movement, and for Bao Tong, assistant to former CPC General Secretary Zhao Ziyang. When a suit was brought against Gao this year, Zhang served as her defense counsel.

The 50-year-old journalist was formerly the deputy editor-in-chief of JINGJIXUE ZHOUBAO [ECONOMICS WEEKLY]. The publication was established by Chen Ziming and Wang Juntao and was ordered to stop publication in 1989. Later Gao was put under "house arrest" [jian shi ji zhu 4148 6018 1446 0145] for 15 months.

Gao also had worked as a freelance reporter for the Hong Kong CHING PAO monthly run by Xu Simin. She was arrested by the Ministry of State Security in December last year before she left for the United States for "illegally providing state secrets to people outside the

border." Xu said that, while working for CHING PAO, Gao also contributed to other media units in Hong Kong, so it was unclear which article she had written had gone wrong. While Gao's case was being heard, the Beijing Intermediate People's Court returned the case to the procuratorate for further investigation, saying "some evidence for the case are not complete." Beginning in April this year, the court took seven months to try Gao's case.

Further on Arrest of Journalist

*OW1211111594 Tokyo KYODO in English 1102 GMT
12 Nov 94*

[FBIS Transcribed Text] Beijing, Nov. 12 KYODO—A prominent Chinese journalist was sentenced to a six-year prison term for violating a newly implemented security law, widely seen as a tool to crack down on growing dissent in China, Western human rights groups reported Saturday [12 November].

Gao Yu, 50, was sentenced in a closed trial which "neither her lawyers nor her husband were even informed was taking place," a joint release by Human Rights Watch and Human Rights in China reported.

"The trial and sentence are a travesty of justice which violates both international human rights standards and Chinese law," the release said.

Gao's son, contacted by phone Saturday, confirmed his mother's sentence, saying his father was informed of it Friday afternoon and told by security officials to arrange a lawyer to file an appeal against the sentence.

Gao, arrested on Oct. 2, 1993 two days before she was to leave to study in the United States, was charged for "illegally providing state secrets to people outside the borders" and tried in April 1994, but the case was returned to the procuracy for lack of sufficient evidence, the release said.

It was unclear if recent regulations amending the State Security Law played a part in Gao's later conviction, but such regulations effectively codify wide-ranging interpretational powers on what constitutes "endangering state security."

The eighth article of the regulations explains that "fabricating rumors, distorting facts, publishing or spreading written or oral arguments" and "establishing mass organizations, enterprises or institutions" can be interpreted as "activities jeopardizing state security."

The regulations were signed by Premier Li Peng on June 4, five years after he signed a martial law order that empowered the Chinese Army to crush democracy protests on Tiananmen Square.

According to Asia Watch's directory on political prisoners in China, Gao suffers from a heart ailment

incurred when she was detained during the 1989 protests. Although in custody for 15 months, she was never formally arrested or charged.

Earlier she worked for the semiofficial CHINA NEWS SERVICE and was also an editor of the ECONOMICS WEEKLY, a well respected magazine which was shut down in 1989. Recently she wrote about China's political situation for Hong Kong publications.

Court Details Journalists' 'Crimes'

HK1411124394 Hong Kong AFP in English 1235 GMT
14 Nov 94

[FBIS Transcribed Text] Beijing, Nov 14 (AFP)—China confirmed Monday the jailing for six years of journalist Gao Yu for leaking "important state secrets," as an official court statement gave details of her alleged crimes.

"Gao Yu was sentenced on November 10 after a closed trial," a Beijing intermediary court spokeswoman said by telephone, adding that the proceedings had been held in camera because "important state secrets were involved."

The confirmation came as a court statement, dated November 10 and received here Monday By fax from a friend of Cao, said the journalist had been found guilty of obtaining state secrets from National People's Congress deputy Gao Chao and of using them to write articles for the Hong Kong press.

Gao Shao, also a member of the parliament's Education, Science, Culture and Public Health Committee and Vice President of the China Association for Science and Technology, met Gao Yu in January 1993, the statement said.

On February 15, she went to Gao Chao's office and he gave her the "Speeches from the Plenary Session of the Party Central Military Commission" and the "Project for the Reform of the Administration System and the Reform of Structures" compiled by a Central Committee's commission, it said.

The official statement said Gao Chao allowed Gao Yu to copy part of the two documents, which it described as "top secret." It added that from January to December, Gao Yu obtained state secrets on reform from Gao Chao on many occasions, using them to write articles for the Hong Kong publications. The Chinese authorities have confiscated the 800 Hong Kong dollars (104 US dollars) she earned from the stories, it said, adding that Gao Chao's case would be dealt with separately.

Gao Yu, 50, was arrested on October 4, 1993, just two days before she was to take up a position as a visiting scholar at Columbia Graduate School of Journalism in the United States, and has since been held in a Beijing State security Bureau detention centre.

The respected journalist, formerly deputy editor of the now-defunct Economics Weekly, was jailed for 14 months following the 1989 pro-democracy demonstrations here and freed after repeated attacks of chest pains and dizziness, thought by family members to point to a heart condition.

After her release, Gao wrote freelance for Hong Kong publications such as the pro-Beijing magazine Mirror Monthly.

Sentencing of Journalist Condemned

HK1411070294 Hong Kong SOUTH CHINA
MORNING POST in English 14 Nov 94 p 7

[By Daniel Kwan]

[FBIS Transcribed Text] China was condemned by international human rights and journalists' bodies yesterday for secretly sentencing journalist Gao Yu to six years in prison.

Gao, 50, was sentenced last week behind closed doors and without legal representation. No details of the charges she faced or her condition were available.

In April, the ASSOCIATED PRESS quoted a spokesman for the Beijing Intermediate People's Court as saying Gao's case had been returned to the procuratorate due to lack of evidence.

The New York-based Committee to Protect Journalists said the sentencing violated "all international standards of due process of law".

"She has been tried without counsel, without permission to notify her family, and, it appears, has been tried twice for the same alleged crime," it said.

Two human rights bodies Human Rights in China and Human Rights Watch/Asia—issued a joint statement denouncing the sentencing and called for Gao's immediate release. "We believe the conduct of Gao Yu's case involved repeated violations of the Chinese Criminal Procedure Law," the statement read. "Furthermore, she is being detained merely for carrying out activities entirely consistent with her profession as a journalist. The information she is thought to have 'leaked' reportedly came from a conversation Gao had with a Chinese Communist Party official." The Hong Kong Journalists' Association also attacked the secret trial of Gao and called on Beijing to "make known details of the prosecution".

Linking Gao's case with Hong Kong journalist Xi Yang, who was jailed for 12 years for "leaking state financial secrets" the association added: "This trend is of grave concern to the media profession and the whole community in Hong Kong, and can only harm the image of China."

Dissident Refuses To Admit Guilt To Get Treatment

HK1111062494 Hong Kong EASTERN EXPRESS in
English 11 Nov 94 p 9

[By Bruce Gilley]

[FBIS Transcribed Text] Authorities are refusing to subsidize the mounting medical costs of the prominent dissident Chen Ziming unless he signs a statement admitting guilt for the 1989 Tiananmen Square protests.

After discussions this week in Beijing between his family and the Ministry of Justice, the government pledged in principle to assist Chen, 42, in his fight against cancer—which has cost his family close to 10,000 renminbi (HK\$9,060) so far.

However, the application for assistance referred to "Chen Ziming—Criminal", and the veteran dissident refused to sign it.

"I never admitted guilt when I was in prison, and I am certainly not going to admit it now that I am out," he reportedly told judicial authorities.

Chen, labelled a "black hand" after the 1989 protests, was released from a 13-year sentence on medical parole in May. At the time he suffered from heart, skin, stomach and kidney problems contracted while in prison, but an operation in September revealed a malignant cancer on the testicles.

China's official regulations on medical parole state that the family of the released person should shoulder the medical costs "unless there are difficulties, in which case the authorities may offer assistance".

Chen's wife, Wang Zhihong, said yesterday his family had written to the authorities saying they should bear most of the medical costs because Chen contracted the illnesses while in prison.

Constant police surveillance since his release has hampered the couple's ability to earn a living, she added making paying the medical costs near impossible.

"We are having to ask our relatives from all over the country to chip in," she said. "We told the authorities that they are responsible for Chen's illness as well as our economic situation, so they should pay," she said.

Family members noted that authorities footed the bills of Chen's fellow "black hand" from 1989, Wang Juntao, who was released on medical parole earlier this year and is now in the United States.

Wang wrote to the Beijing Public Security Bureau at the end of September asking them to end their constant harassment and surveillance of the couple.

"They still have not responded," she said. "When I ask them what reason they have for treating us this way, they respond simply, 'Because he is Chen Ziming'."

Chen reacted badly to radiotherapy and is being treated for this. He is undergoing acupuncture treatment as well. Chen is scheduled to return for a second examination of his cancer condition next month.

Despite the financial and personal difficulties Chen has faced since receiving parole, he has not wavered in his determination to remain in China, his wife said.

"No matter what he will not change this decision," she said. "He knows he would never be allowed back if he left."

Public Security Committee Inspects 5 Provinces

OW1011141594 Beijing XINHUA Domestic Service in Chinese 0936 GMT 9 Nov 94

[FBIS Translated Text] Beijing, 9 Nov (XINHUA)—The Central Committee for Comprehensive Management of Public Security recently sent five inspection teams to Liaoning, Zhejiang, Guangdong, Henan, and Sichuan Provinces to inspect local public security. The teams will try to find out how rural areas across the country struggled against social security problems and carried out "Some Regulations Concerning the Responsibility System for Leaders in Implementing Comprehensive Management of Public Security" promulgated by the Central Committee for Comprehensive Management of Public Security, the Central Commission for Discipline Inspection, the Organization Department, and the Personnel and Supervision Ministries.

In June 1994, the Central Committee for Comprehensive Management of Public Security; the Organization Department; and the Public Security, Justice, and Civil Affairs Ministries held a national work meeting in Wujiang, Jiangsu, to discuss the improvement of public security in rural areas. The meeting decided to launch a nationwide campaign against public security problems this and next year. The campaign should focus on handling social disorder and cracking down on criminal activities that endanger public security. It should comprehensively manage public security in rural areas, carry out in an all-round way various measures to improve public security in rural areas, consolidate grass-roots organizations that are weak and lax, safeguard stability in rural areas, and ensure the smooth progress of reform and development. The "Decision Concerning Some Major Problems in Strengthening Party Building" made at the Fourth Plenary Session of the 14th CPC Central Committee stipulates that it is necessary to improve village-level organizations with party branches as the core and integrate this work with the construction of a democratic and legal system in grass-roots units as well as with comprehensive management of public security. This campaign will effectively improve public security in rural areas as well as strengthen various other tasks with regard to overall improvement of public security.

The Central Committee for Comprehensive Management of Public Security's inspection aims at carrying out the guiding spirit of the Fourth Plenary Session of the 14th CPC Central Committee and pushing forward the struggles against rural public security problems and various other tasks with regard to overall improvement of public security.

It was learned that the inspection teams are composed of personnel from the Central Commission for Discipline Inspection; the Organization Department; the Supreme People's Court; the Supreme People's Procuratorate; the Public Security, Justice, Civil Affairs, and Supervision Ministries; and other relevant departments. The inspection teams will hear briefings by local party committee, government, and relevant department leaders. They will also go down to grass-roots units to hear people's opinions to get an objective and correct understanding of the true situation regarding public security. At present, all provinces, autonomous regions, and municipalities are launching such work one after another.

Health Ministry Denies Reports of Plague Epidemic

HK1111064394 Hong Kong AFP in English 0612 GMT
11 Nov 94

[FBIS Transcribed Text] Beijing, Nov 11 (AFP)—China has firmly denied reports of a plague epidemic in many cities, saying that no more than 10 cases had been reported each year since the disease was brought under control in 1955. "As to the rumours that plague is spreading in more than 200 counties and cities in China, these do not conform with the true situation," said the Ministry of Public Health in a statement, dated Thursday [10 November], responding to numerous diplomatic and press enquiries. The South Korean health ministry on Tuesday ordered the insides of all planes and any luggage arriving from China to be sprayed.

The Chinese health ministry statement said that between June and October seven people had been infected when two cases of plague broke out in remote areas of north-western Qinghai and Tibet. "Thanks to timely prevention and treatment measures, an epidemic was avoided. At the moment, there is no human plague spreading in China," it said, adding that "scattered cases" of plague among rats in Qinghai, Tibet, Inner Mongolia, Yunnan, Gansu had also been quickly controlled. "One should not confuse rat plague and human plague," it said, noting that they were medically different and that the former posed only a "latent threat" to human beings.

A World Health Organisation official said people should "not overreact to these things," pointing out that a few cases of plague were also reported each year in the United States. "A few cases each year is usual, even in some developed countries," he said. In September, an outbreak of plague in India that killed 60 people caused panic worldwide, with many countries severing air and sea links.

The Chinese health ministry statement said that the handful of human plague cases reported each year were all in "remote, sparsely populated areas" in the north-west and southwest. In other regions, both human and rat forms of the disease have been firmly controlled, it said.

Minister on New Maternal, Infant Health Care Law

HK1411074894 Hong Kong AFP in English 0709 GMT
14 Nov 94

[FBIS Transcribed Text] Beijing, Nov 14 (AFP)—China published Monday the full text of a eugenics law that has been widely criticised for promoting the sterilisation of people suffering from genetic disorders and the abortion of defective fetuses. At a news conference clearly aimed at defusing the row over the Law on Maternal and Infant Health Care—which comes into effect June 1, 1995—Chinese Health Minister Chen Minzhang defended the legislation against charges that it advocated a Nazi-style eugenics policy.

The law, aimed at "improving the quality of the newborn population," stipulates that couples must "postpone" marriage if a pre-marital check-up shows that one or both partners is suffering from "mental disorders" or "infectious diseases" such as AIDS or syphilis. In the case of either partner being diagnosed with a "serious genetic disorder" marriage can take place "only if both sides agree to take long-term contraceptive measures or to take a ligation operation for sterility."

The law also requires doctors to advise abortions in the case of a foetus being found to have a "defect or genetic disease of a serious nature." The ratified law was heavily rewritten following the international outcry that greeted the release of the draft version in December last year, most notably dropping the words "eugenics" and "inferior births."

"This is not a law that has stipulations on the elimination of inferior races," Chen told reporters. Citing "problems of translation," Chen said the Chinese word "yousheng," which translates as "eugenics," did not refer to the concept of eugenics "practised by Hitler."

"In Chinese, we mean we should provide better birth, better child-rearing and better education for the next generation, so I think this is a misinterpretation," he said. Chen admitted that there was some disagreement as to what constituted a "serious" genetic disorder, but added that medical experts were currently drawing up a list that would be used to enforce the law.

Dismissing fears that the legislation would lead to forced abortions or sterilisations—practices that have been widely-documented by foreign organisations investigating China's draconian family-planning policy—Chen said the law required written consent. "Any termination of pregnancy or application of ligation operation shall be agreed and signed by the person concerned." If the woman is in no fit state to give her consent, permission must be sought from her guardian.

Despite the apparent safeguards, analysts here voiced fears that abuses of the law would be difficult to detect, especially in remote areas. "Forced abortions and sterilisations already occur under the one-child policy and

there is certainly a risk that this law will exacerbate the problem," said one Western diplomat.

"One should also understand the degree of coercion involved in pressuring women into agreeing to an abortion," he added.

The new law also bans sex identification before birth except when it is "positively needed on medical terms." The use of ultra-sound to determine the sex of a foetus is widely practised in rural areas and has led to a serious imbalance in China's sex ratio as mothers abort female fetuses in the hope of having a boy later.

In 1990, China recorded 113.8 male births for every 100 female births, far higher than the natural ratio of 106 to 100. Chen said steps would be taken to ensure the correct enforcement of the new law, but admitted that full implementation would take some time in more remote areas.

Officials on Goal of Health Law

OW1411081594 Beijing XINHUA in English 0730 GMT 14 Nov 94

[FBIS Transcribed Text] Beijing, November 14 (XINHUA)—Chinese Minister of Public Health Chen Minzhang reiterated here today that the goal of the Mother-and-Child Health Care Law, to come into force one June 1, 1995, is to "ensure the health of mothers and infants, and improve the quality of the newborn population".

The law was adopted by the National People's Congress [NPC] Standing Committee October 27 this year.

The minister said at a press conference that operations to terminate pregnancies mentioned in the law are voluntary, and "must be agreed to in writing by the person concerned."

The law provides that if a fetus is diagnosed as carrying a hereditary disease or is seriously abnormal, or if the birth seriously threatens the life of the woman or the baby, the woman will be advised to terminate the pregnancy.

People suffering from serious mental or contagious diseases will have to defer marriage, the law says.

The kinds of "hereditary or contagious diseases" mentioned above will be dealt with in separate regulations, said Qiao Xiaoyang, deputy director of the Legislative Affairs Committee of the NPC Standing Committee, who also attended the conference.

The ban by the law on sex identification before birth is intended to bar sex discrimination, said another official from the the NPC, Hao Yichun, vice-chairwoman of the NPC Committee on Education, Science, Culture and Public Health.

Some people who are trapped in the backward traditional Chinese concept that boys are better than girls

may take advantage of the technology to abort female infants in the hope of giving birth to boys later, she admitted.

"Although such cases are rare, they should be clearly prohibited by law," she said.

The minister said China is well equipped for the implementation of the new law. Statistics show that the country has 250,000 doctors specializing in mother-and-child health care working in a total of 2,791 hospitals.

PRC Publishes Over 400,000 Books on Human Rights

OW1211110994 Beijing XINHUA Domestic Service in Chinese 0241 GMT 12 Nov 94

[FBIS Translated Text] Beijing, 12 Nov (XINHUA)—During a recent visit to China's Society on Studies of Human Rights Issues [(CSSHRI) zhong guo ren quan yan jiu hui 0022 0948 0086 2938 4282 4496 2585], a China-based diplomat from a Western country asked: "China does not allow its common people to look at the *World's Declaration on Human Rights*, does it?" The CSSHRI personnel took from a bookshelf *An Overview of the World's Provisional Constitution on Human Rights* and its sequel, edited by Dong Yonghu and published and circulated by the Sichuan People's Publishing House. After flipping through the two hardcover volumes with 3,284 pages that are 12.7-centimeters thick, the diplomat noticed that the book has compiled the *World's Declaration on Human Rights*, various treaties adopted by the United Nations [UN] on human rights, and laws and documents on human rights in various countries of the world. She exclaimed: "Even my country has yet to publish an edition of provisional constitution on human rights that is as comprehensive as this one. You Chinese are really earnest in your undertakings!"

Later, another Swiss human rights expert visited the CSSHRI and read various books on human rights issues published by China. The expert said: "That diplomat was not precise. As far as I know, no Western country has ever published any book on human rights as enormous as *An Overview of the World's Provisional Constitution on Human Rights*."

According to incomplete statistics, China has published more than 400,000 volumes of over 100 various books on human rights issues in the past five years. Additionally, various newspapers and journals have published more than 300 articles in this regard.

To study human rights issues, Chinese scholars and publishers have collected, translated, and published UN and international documents and provisional constitution on human rights, as well as representative foreign works on human rights. Other than *An Overview of the World's Provisional Constitution on Human Rights* and its sequel, China has also published relevant books, including *International Laws on Human Rights*, the

Provisional Constitution on Human Rights in Various Countries of the World, and International Documents on Human Rights and International Human Rights Organizations. China has translated the following books into Chinese and circulated them in the country: *A Philosophy on Human Rights*, written by British scholar Milne [mi er en 4717 1422 1869]; *A Commentary on Freedom*, written by British scholar Muller [mu le 4476 0519]; Canadian scholar Humphrey's [han fu lai 3352 1715 5490] *International Laws on Human Rights*; former Soviet scholar Chernenko's [qi er nian ke 1148 1422 1628 4430] *Human Rights in the Soviet Union*; and former Soviet scholar Chirikewaze's [qi xi ke wa ze 1142 1585 0344 3907 3419] *A Concept of Socialist Human Rights*.

Many works on human rights published by the West are very prejudiced and self-contradictory with confused ideologies and theories. Consequently, Chinese scholars have independently studied, written, and published books, including: *Historic Notes on Human Rights*, *Contemporary Human Rights Issues*, *Commentaries on Contemporary China's Human Rights Issues*, *An Outline of Marxist Theories on Human Rights*, the U.S. *Human Rights and Its Diplomacy Under Human Rights Issues*, *Human Rights in the World in Length and Breadth*, and *A Dictionary of China's Human Rights Issues*.

A series of white papers on human rights issues published by the State Council Information Office in the past few years has been the most popular among Chinese readers and has found its largest circulation among them. They included *Human Rights Conditions in China*, *the Sovereignty of and Human Rights Conditions in Tibet*, *Reform of Criminals in China*, *Women's Conditions in China*, and *Protection of Intellectual Property Rights in China*.

University Students To Pay Tuition Fees From 1997

HK1411075294 Beijing CHINA DAILY in English
14 Nov 94 p 1

[By He Jun: "University Tuition To Be Required By 1997"]

[FBIS Transcribed Text] College reforms calling for students to pay tuition while receiving the freedom to choose their own jobs will go nationwide with the Class of 2000, top education authorities say.

All college freshmen in 1997, except those in some special majors, will have to pay for their tuition fees, according to Wang Zhichang of the State Education Commission (SEC). And upon graduation, in the year 2000, those students will be allowed to freely choose their own jobs.

This autumn, about 40 universities and colleges started a pilot project requiring students to pay tuition based on their entrance exam scores, with fees ranging from 1,000 to 1,500 yuan (\$117 to \$176) per year.

But the government remains the prime funding source for most Chinese college students, while an increasing portion are sponsored by enterprises.

The total cost for educating each student runs from 8,000 to 10,000 yuan (\$940 to \$1,174) a year.

Wang said such pilot policies have proven to be successful and have helped improve the quality of students on campus while supporting the principle of equality.

These schools enrolled about 90,000 students this year, roughly one-tenth of the national total.

Parents and students accepted such changes calmly, Wang said.

A total of 2.51 million students took the national college entrance exam in July this year.

Commenting on the job prospects for next year's college graduates Wang said higher education authorities would take bolder steps to set up employment markets.

The total number of college graduates will reach a record 895,000 in 1995, nearly 200,000 more than this year.

The state will still be responsible for assigning jobs to these graduates, while continuing to allow majors in certain fields to find their own jobs, Wang said.

And Guangzhou will host a conference from December 15 to 17 to ensure that a significant number of talented students end up working for key state projects, big state enterprises, or prominent research institutes.

Wang stressed that the overall arrangement of student job assignments must be under the unified management of the SEC; the national job assignment plan issued by the SEC must be strictly carried out.

More efforts should be made to standardize and manage student job fairs to prevent any harmful effects on normal educational and job assignment arrangements.

He urged local authorities to strengthen their supervision, guidance, and management of such fairs. They should not turn into events geared toward making profits, he said.

All contracts signed during fairs must be authorized by the colleges before they come into effect, he added.

Survey Shows People Have More Leisure Time

OW1211090694 Beijing XINHUA in English 0834
GMT 12 Nov 94

[FBIS Transcribed Text] Tianjin, November 12 (XINHUA)—Thanks to the faster pace of social progress and modernization, the Chinese have begun to enjoy more leisure time and diversified recreational activities.

A recent survey shows that people in this north China port city now have an extra hour of leisure time on a day off, compared with ten years ago.

Urban residents now have more time to spend on creative projects since they work five and half days a week instead of six days. This is in line with the implementation of a new system begun earlier this year, according to the survey.

One important reason for the leisure time increase is the hefty increase in residents' income and in the use of modern equipment for house work.

The survey also indicates that one of the most important pastimes for people is watching television, since it is now available to almost every Chinese family. In Tianjin, residents spend on average at least two hours every day watching TV.

To meet the increasing demands of the domestic audience, television stations in China have opened more channels and extended broadcast hours.

In Beijing, people now enjoy a variety of TV programs on the central and local TV stations. Programs broadcast by other provincial TV stations across the country are also available thanks to the efforts at developing advanced telecommunications over the past several years.

According to the survey, people of Tianjin now, as compared with 1982, postpone their bedtime for one to two hours. Most people even stay up as late as midnight.

Over the past few years, people have tended to spend their leisure time in diverse ways. Collecting stamps and antiquities, doing qigong (breathing) exercises, playing the piano and keeping pets have become popular among urban residents.

Growing flowers and taking caged songbirds out to public parks are favorites of older people, while body-building, enjoying music and going to night school tend to be preferred by young people.

For holidays, people are likely to go out to suburban or rural areas for sightseeing or fishing. The tourist expenses of Tianjin residents in the first half of this year went up three-fold from the same period last year.

In addition, shopping and frequenting beauty shops are starting to be considered necessities by most women, the average per capita spending on cosmetics in Tianjin last year having risen to eight times that of 1982.

Having been augmented by the enthusiasm for leisure-time activities, the leisure industry has become a force to be dealt with in China's socioeconomic development.

According to a recent report, 839 recreational facilities have been built in China's coastal cities over the past few years, involving a total investment of 3.75 billion yuan.

China has more than 100,000 hotels, 2,552 of which provide recreational services. With the construction of ten large tourist zones, additional recreational services

have been offered and similar centers opened, including those for golfing, racecourses, and yachting and automobile racing.

In 1993, various recreation organizations were set up one after another in coastal cities to meet the needs of both common urbanities and those with higher incomes, including foreigners.

Economic & Agricultural

Li Peng on Priority for Agricultural Development

OW1311075494 Beijing XINHUA in English 0747
GMT 13 Nov 94

[FBIS Transcribed Text\ Beijing, November 13 (XINHUA)—Chinese Premier Li Peng called for efforts to develop a high-yielding, quality and highly-efficient agriculture in an article published here today.

He said to develop high-yielding, quality and highly-efficient agriculture is a policy of strategic importance made by the Central Committee of the Communist Party of China (CPC) and the State Council.

"This policy must be firmly carried out in agriculture and in rural work in China," he emphasized.

The premier made the remarks in his preface contributed to a book edited by Chinese State Councillor Chen Junsheng. The preface was carried in full in the PEOPLE'S DAILY today.

Li said, as agriculture is the foundation of the national economy, the Chinese Communist Party and Government have always attached great importance to agricultural development.

Thanks to the reform of rural economic system, great changes have taken place and remarkable achievements have been scored in agriculture and rural areas of the country, he noted.

China has now basically solved the problem of feeding and clothing its nearly 1.2 billion people.

In order to meet the needs of the development of a modern socialist agriculture with Chinese characteristics, Li said, priority should be given to developing highly-yielding, quality and highly-efficient agriculture on the basis of maintaining high agricultural output.

The premier described this policy as a strategic turning point in the history of China's agricultural development.

China is a big agricultural country with the biggest population in the world. 900 million people live in the countryside.

So, he said, the agricultural situation has direct impact on the national economic development, social stability and state independence.

The 45-year history of the People's Republic of China has proved that whenever the agricultural situation is good, the economy makes progress and the society is stable, he said.

However, "we should not be content with the past achievements in agriculture, but should strengthen the determination to push agriculture forward by relying on the people and bringing into full play the advantages of China's natural condition and socialist system."

The experience in the past ten years and more has proved that the household output-related contracting system and dual-management system are suitable to the development level of productive forces in most areas of China.

Efforts must be made to further improve the system, Li said.

At the same time, he said, the social service system in rural areas should also be improved to enhance the rural collective economy and increase labor productivity, land output rate, rate of market-oriented agricultural products and economic efficiency.

He called for exploring the great potentials of agricultural development in central and west China.

He said, to increase inputs in agriculture and improve production environment of agriculture is the guarantee for promoting a sustained development of agricultural production.

The premier stressed the important role of science and technology in promoting agricultural development.

He said the increasing agricultural production lies in the progress of science and technology.

Li Peng Urges Curbing Consumption Funds Growth

OW1111163294 Beijing XINHUA in English 1611 GMT 11 Nov 94

[FBIS Transcribed Text] Beijing, November 11 (XINHUA)—Chinese Premier Li Peng has called on different localities and different departments across the country to adopt effective measures for curbing the fast growth of consumption funds and putting a ceiling cash in circulation.

Li made the call yesterday at a national teleconference on strictly controlling the rapid growth of consumption funds and strengthening management of cash held by the State Council.

He urged different localities to work hard and achieve positive results in as short a time as possible, so as to guarantee a healthy development of the country's national economy and the stability of market prices.

The meeting was presided over by Premier Li. Vice-Premiers Zhu Rongji and Zou Jiahua also spoke.

In the latter half of this year consumption funds have been rising surprisingly rapidly and the floating of cash has shown a marked growth, the meeting was told.

Some enterprises and governmental institutions were found to have violated state regulations on cash and salary fund management. They have defrauded banks of cash and raised salaries indiscriminately. They have also issued random bonuses and subsidies.

In the meantime, social group purchasing power has also increased too quickly, and the taxation of individual income has been loosely handled, causing great losses in taxes for the state.

The situation will seriously disturb the financial order, affect the stability of the current market prices and put serious pressure on efforts to control inflation and on the credit plan for next year if effective measures are not adopted to curb it, the meeting was told.

The State Council Wednesday issued a special circular on strictly controlling the fast growth of consumption funds and strengthening management of cash. Yesterday's meeting was held to make detailed arrangements for implementation.

State Councillor Luo Gan, also secretary-general of the State Council, read out the circular at the meeting.

According to the circular, different localities and different government departments should strictly forbid the practice of reckless issuing of money and goods by enterprises and institutions. They should also be forbidden to spend too much money before the end of the year, while units should issue bonuses strictly in accordance with the relevant regulations of the central government and go through complete assessment procedures.

The circular also calls for earnest implementation of the central government's policies on salary reform. It stipulates that all enterprises and government departments should strictly carry out the "provisional regulations on the management of cash money" issued by the State Council.

It also rules that units should not issue, buy or use goods-purchase tickets as token money, and taxation departments at various levels should strengthen their levying of individual income taxes. Financial organizations should also strengthen cash management and introduce a strict settlement system, while localities should put a ceiling on social group consumption.

The circular urges localities to carry out an investigation into consumption funds and the levying of individual income taxes in local enterprises and institutions in line with the State Council's circular for waging a nationwide checkup on consumption funds and correcting in time all problems found.

In addition, the banks should continue to be strict with their scale of credit.

The State Council has urged the leaders of provinces, municipalities and autonomous regions to be directly responsible for the implementation of the circular.

Chen Jinhua, minister in charge of the State Planning Commission, and Zhou Zhengqing, deputy governor of the People's Bank (the central bank), also spoke at the meeting. They pledged meticulous implementation of the circular, by strengthening and improving macro control of consumption funds, strengthening cash management and firmly curbing inflation.

Zou Jiahua Discusses Enterprise Reform

OW1411065794 Beijing XINHUA Domestic Service in Chinese 1137 GMT 2 Nov 94

[By reporters Li Anding (2621 1344 1353) and Zhang Sutang (1728 1372 1016)]

[FBIS Translated Text] Beijing, 2 Nov (XINHUA)—A national meeting on establishing a modern enterprise system in selected units was held in Beijing today. At the meeting, Vice Premier Zou Jiahua said: Since the CPC Central Committee and State Council decided to focus the economic structural reform on the reform of state-owned enterprises next year, governments at all levels and departments concerned should switch their attention to this major task.

The meeting, convened by the State Council, mainly aimed at studying the deepening of reform in enterprises and arranging for establishing a modern enterprise system in selected units. Li Tieying, Wu Bangguo, Chi Haotian, Song Jian, Li Guixian, Ismail Amat, and others attended the meeting.

During his speech, Zou Jiahua analyzed the situation of enterprise reform in China. He said: Over the past 15 years, China's enterprise reform was consistent with its political, economic, and social reform and development. The CPC Central Committee and State Council adopted a series of policies and measures so that state-owned enterprises could continue deepening their reform and making progress. Generally speaking, state-owned enterprises continued to improve their overall quality, strengthen their vitality, improve their adaptability to the macro-economic environment and market changes, and improve their economic performance. As a result, there appeared a group of well-run enterprises.

He said: To further emancipate and develop productive forces, strengthen enterprise vitality, and establish a stimulating and restraining mechanism, it is necessary to continue to push forward enterprise reform and establish a modern enterprise system in the light of the requirements for establishing a socialist market economy and on the premise of consolidating public ownership as a main body.

Zou Jiahua said: The reform of state-owned enterprises will be the focus of economic structural reform next year. In recent years, the overall situation of state-owned

enterprises was good. However, quite a few state-owned enterprises encountered difficulties and problems, which indicates that the present enterprise management system cannot keep up with the pace of market economy development. To solve these problems, it is necessary to renovate the enterprise system and conduct a comprehensive supplementary reform. This is also the fundamental way for state-owned enterprises to free themselves from difficulties and strengthen their vitality.

Zou Jiahua said: China's strategic goal for enterprise reform is to enable large and medium state-owned enterprises to basically establish, by the end of this century, a management mechanism and a modern enterprise system that are compatible with and able to play a leading role in a socialist market economy. To achieve this goal, it is imperative to have a comprehensive and correct understanding of a modern enterprise system and unify our thinking with the decision of the Third Plenary Session of the 14th CPC Central Committee. Guided by this decision, we should follow the orientation for the reform of state-owned enterprises, do well the work of establishing a modern enterprise system in selected units, and constantly sum-up and improve during the course of practice.

He said: It is a difficult process to truly convert state enterprises that are subsidiaries of government administrative organizations under the planned economic system to legal entities and principal market competitors under a market economic system. We lack ripe and systematic experience in this aspect. Through establishing a modern enterprise system, we must effectively separate fund providers' ownership rights and legal entities' property rights. In addition, we must separate governmental and business functions to free enterprises from dependence on governmental administrative organizations and allow them to change their operating mechanisms. The state should remove unlimited and collateral responsibilities it carries for enterprises so as to explore effective ways for integrating public ownership with the market economy. Zou Jiahua pointed out: In the course of establishing the modern enterprise system, we must uphold public ownership as a main body; select different forms of enterprise organization based on characteristics of businesses and enterprises; pay particular attention to separating the government and enterprises as well as changing the government's functions; determine enterprises' independence and debt responsibility through laws; and raise enterprises' management level.

Zou Jiahua stressed: It is necessary to strengthen leadership over enterprise reform and meticulously organize the pilot establishment of the modern enterprise system in selected units. He said: The State Council has decided to let the State Economic and Trade Commission lead the task in experimenting with the modern enterprise system. The task will be undertaken specifically with the State Economic Restructuring Commission and other concerned departments and units, while the State

Council will study and decide major issues. We must promptly study, coordinate, and solve new problems as well as sum up and exchange experience gained in the experiment. Various departments and localities must subject their individual interests to the overall interests as well as work closely from top to bottom. He said: Selected pilot enterprises must uphold and bring into play party organizations' nuclear role as well as explore effective ways for workers to participate in management democratically.

Zou Jiahua said: The purpose of the experiment is not just to train a group of new enterprises full of vitality and with higher efficiency, more importantly it is to seek ways to establish the modern enterprise system in our country. Experience gained in the experiment will form an important basis for our country's legislation and formulation of economic policies. The majority of enterprises the State Council selected for the experiment are well-run and efficient, but some are problematic and deficit-ridden. This makes the experiment more representative. He said: In trying out the modern enterprise system, we cannot rely on preferential policies or special treatment, otherwise, it is worthless to promote the experience gained from the experiment.

Zou Jiahua pointed out: The experiment in establishing the modern enterprise system will be undertaken mainly by selected pilot enterprises. The government's main role is to create an external environment and offer guidance on restructuring. He said: It is necessary to depend on the wisdom, enthusiasm, and creative power of the vast number of workers and managers for the experiment. We must strengthen ideological and political work. We should not only make every worker possess correct understanding of the experiment, but also arouse the workers' enthusiasm for reform. On the basis of earnestly studying and understanding the experiment's purpose, selected pilot enterprises must formulate meticulous restructuring plans and mobilize the masses to implement them so as to carry out the experiment step by step in a planned way. Governments and departments at all levels must emancipate their minds, create conditions, use the "conducive to three causes" (conducive to developing the productive forces of our socialist society, increasing the overall strength of our socialist country, and improving the people's living standards) as a criterion, proceed from reality, as well as encourage and support selected pilot enterprises to explore boldly. During the meeting, Wang Zhongyu, minister of the State Economic and Trade Commission, delivered a report on how to deepen enterprise reform and the experimental work in establishing the modern enterprise system.

Wu Yi Cited on Development of Foreign Trade

HK1111111994 Beijing ZHONGGUO ZHENGJUAN
BAO in Chinese 5 Nov 94 p 5

[By reporter Liu Guofang (0491 0948 5364): "Wu Yi Says All-Round Development Pattern Formed in China's Foreign Trade"]

[FBIS Translated Text] Wu Yi, minister of foreign trade and economic cooperation, recently pointed out in Beijing that thanks to a series of measures adopted over the past 15 years, with a view to expanding the opening-up process and to deepening the reform, China now has developed an all-round development pattern for foreign economic relations and trade, characterized by the combination of affairs relating to commodities, technology, financing, and labor service, and by the integration of bilateral and multilateral trade. China's success in this respect has drawn the world's attention, and its role in the world economy and trade is becoming more and more important.

Wu Yi said: In 1993, our country's import and export trade volume reached \$195.7 billion, an increase of 850 percent over 1978, which implied an average annual growth rate of 16 percent, higher than the growth rates of the country's GDP and the world's trade volume during the same period. In 1993, China's import and export volume accounted for 2.5 percent of the world's total trade volume, and China's place in world trade has moved forward from 32d in 1978 to 11th. By the end of June 1994, the founding of a total of 199,600 foreign-funded enterprises in China had been approved, and the amount of funds that foreign businessmen actually had invested totaled \$76.5 billion. The turnover of China-contracted projects abroad and of China-rendered labor services totaled \$22.05 billion, and progress has been made in all economic and technological aid projects run abroad.

This year, the Chinese Government has launched a series of major reforms in finance, taxation, banking, planned investments, foreign exchange, foreign trade, and commodity prices, thus effectively ensuring the sustained, rapid, and healthy development of China's foreign economic relations and trade. From January to September this year, China's import and export trade volume increased by 22.1 percent over the same period last year, with imports and exports developing side-by-side in a balanced manner, and the balance of payments improved substantially in comparison with the situation in the same period last year. The amount of imported foreign funds continued to grow, and in the first eight months this year, the amount of funds foreign businessmen actually invested exceeded \$20 billion, an increase of 55 percent over the same period last year.

Wu Yi pointed out that the next few years will be a crucial stage for China to speed up its pace in establishing the socialist market economy. In light of the needs of the modernization program and the current development trend of foreign trade, it is predicted that China's total import-export trade volume will reach \$400 billion by the year 2000, both import and export trade volumes will exceed \$200 billion each, and the cumulative import volume will exceed \$1,000 billion. To fulfill this goal, China needs to properly accomplish the following tasks: 1) To carry on the reform of the foreign trade structure in depth, thus establish a new type of

foreign trade structure that suits the needs of the socialist market economy in China and meets international trade standards; 2) To create a still- better environment and to improve preferential policies for attracting foreign investors; and 3) To uphold the principle of comprehensive and diversified cooperation, and to further explore business opportunities abroad.

Yang Shangkun Inspects Xiamen SEZ 7-11 Nov
HK1411101294 Beijing ZHONGGUO XINWEN SHE
in Chinese 1113 GMT 12 Nov 94

[FBIS Translated Text] Xiamen, 12 Nov (ZHONGGUO XINWEN SHE)—According to XIAMEN RIBAO, during his inspection of the Xiamen Special Economic Zone [SEZ] from the 7th to the 11th of this month, former state president Yang Shangkun spoke highly of the great changes that have taken place in Xiamen over the past few years and hoped that Xiamen would be developed even better.

During his stay in Xiamen—accompanied by Jia Qinglin, secretary of the Fujian Provincial CPC Committee; provincial Governor Chen Mingyi; Shi Zhaobin, secretary of the Xiamen City CPC Committee; and Mayor of Xiamen Hong Yongshi, Yang Shangkun inspected the Xiamen Torch High-Tech Development Zone and the Haicang Investment District, visited the Swedish ABB [Asea Brown Boveri] Group's Xiamen ABB Development Company Limited, the Matsushita Hi-Fi Company Limited (a wholly Japanese-invested enterprise in Xiamen), the Songyu Power Plant, Jimei School, and went sightseeing at the famous scenic spots—Gulangyu and Chen Jiageng's mausoleum.

After listening to a briefing from the city's leading cadres in the Haicang Investment District, Yang Shangkun said that Taiwan investors were seeking markets at present and that the mainland is a satisfactory place for Taiwan investment due to its enormous markets and rich resources. Xiamen should do more to attract Taiwan investment.

Yang Shangkun added that Haicang is indeed a good place for running enterprises. He hoped that the plan to develop the Haicang Investment District would be properly worked out, conditions should be created to absorb talent, and more highly scientific and technological projects should be imported so that Haicang will be built into an industrial development zone of a 21st century standard.

Official Outlines Key Foreign Investment Projects
HK1411053994 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 13-19 Nov 94 p 2

[By Sun Shangwu: "Key Areas To Get Priority Treatment"]

[FBIS Transcribed Text] The Chinese Government outlined new emphasis last week to lure foreign direct

investment in agriculture, hydropower, communications, energy, and raw materials in the coming years, according to a senior economic official.

Zhang Jiufei, deputy director of the Foreign Investment Department with the State Planning Commission, outlined the favoured investment scenario at an international seminar held in Beijing last week.

At the Roundtable on Policy Aspects of Promoting Foreign Direct Investment in China's Infrastructure, sponsored by the State Planning Commission and the World Bank's Foreign Investment Advisory Service, Zhang said the Chinese Government has designated 210 key projects for the 1993-2000 period to absorb a total investment of \$30 billion.

More than 130 of the projects relate to infrastructure and basic industry, including the Harbin-Dalian Railroad, electrification of the Beijing-Guangzhou Railway, expansion of the Beijing Capital Airport, and natural gas exploration in Sichuan Province.

"Foreign investors are encouraged to compete for these projects," Zhang said.

The State also hopes to direct foreign investment into China's vast interior areas.

Due to geographic reasons and the influence of preferential policies adopted in coastal regions, 85 percent of foreign direct investment is in coastal areas.

From now on, China will adopt industrial preferential treatment to attract foreign investment into infrastructure and natural resource exploration projects.

With natural resources more abundant and heavy industries more developed in interior areas, such policies are well-suited to investors and to the areas.

And the Chinese Government is searching for new investment methods, according to Zhang.

Present forms of foreign investment include share-issuing ventures, cooperative joint ventures, wholly owned foreign companies, and cooperative exploration.

The government will add to these more investment in the form of build-operate-transfer. To achieve the above goals, China will take the following measures:

- Financial support. In terms of domestic bank loans, mature foreign direct investment projects in such sectors as agriculture, communication, energy, and basic industries will receive priority treatment.

- Favourable tax policy. Foreign direct investment projects in agriculture-related business and communications will enjoy more favourable tax treatment. For example, joint ventures building harbours with a cooperation period of more than 15 years will enjoy "five years exemption and five years halved" tax treatment.

—Comprehensive compensation measurement. Since in infrastructure projects total investment is large and the investment repayment period long, the Chinese Government will allow foreign investment projects in railways, roads, and bridges to expand their business scope to undertake some high-profit projects.

Plans Announced To Issue Contracts to Employees

HK1411054294 *Beijing CHINA DAILY (BUSINESS WEEKLY)* in English 13-19 Nov 94 p 8

[By Lu Hongyong: "Contracts Alter Labour Obligation"]

[FBIS Transcribed Text] State enterprise employees will be working under contracts by the year 2000 with state labour departments preparing the legal basis for the transition.

The move is meant to endow enterprises with the power to recruit people and to give workers the autonomy to choose and quit jobs, Minister of Labour Li Boyong said.

The drive is also designed to change the decades-long history of differentiated employment whereby state-sector workers enjoy extraordinary job security and collective- and private-sector employees may find their jobs more short-lived.

A key focus of the reform is to define and safeguard the rights of employees and to give state firm managers more authority to administer personnel.

Contract-based employment has been adopted in 13 provinces and municipalities and is being tested in eight others, according to Minister Li.

Ministry statistics show that 55 million workers—or 40 percent of the total labour force in State and collective enterprises—are under contract.

The ministry expects to see that figure rise to at least 80 percent by next year-end. One year later, contracted employment should cover the whole country with only a few exceptions.

In step with the contract campaign, coming wage reforms will let state enterprises decide wage levels on their own. The package is expected to be finalized during the 1996-2000 Ninth Five-Year Plan period, Li said.

In nonstate sectors, employees can elect delegates to determine a wage level based on negotiations with their employers.

In the making is a draft social insurance law which will embrace all aspects of social security, including pension funds, medical insurance, childbearing, insurance and work injury insurance.

Legislators drafting the law hope to report a draft version to the National People's Congress next year, well ahead of schedule. Sections of the draft should be ready for deliberation in the State Council this December.

A sophisticated social security system is a critical component of the ongoing labour reform. Pension and unemployment insurance are the most fundamental aspects of social security reforms.

Enactment of over 30 regulations associated with the Labour Law is under way, covering work injury insurance standards, minimum wage levels, vacation rights, and unemployment insurance.

Additional rules will tackle group contract-signing, layoff surveillance, and temporary means of investigation into major work accidents.

In a related development, the Labour Administration of Beijing has nailed down a minimum wage for all enterprises and for self-employed proprietors hiring other workers.

To be issued by the municipal government next month, the ordinance requires a per-hour minimum wage of 1.1 yuan (\$0.13) and 210 yuan (\$24.42) per month.

'Major Changes' in Import, Export License Management

HK1211075094 *Hong Kong CHING CHI TAO PAO* in Chinese No 43, 31 Oct 94 p 25

[From the "China Economic News" column: "Three Major Changes in the Management of Import and Export Licenses This Year"]

[FBIS Translated Text] It has been learned there have been changes in China's management of import and export licenses this year.

First, export licenses for fuling [a type of Chinese medicine, Latin name *poris cocos*], polyethylene, and pig casings have been abolished, but canned mushrooms, bicycles, and Shaoxing wine now require export licenses. Furthermore, canned mushrooms are subject to voluntary quotas.

Second, as of 1 April this year, cotton, chemical fertilizer, grains, vegetable oil, wine, and light sensitive color material [cai se gan guang cai liao 1752 5331 1949 0342 2624 2436] require import licenses.

Third, the export of textiles has undergone major changes: 1) In keeping with the new Sino-U.S. agreement, categories 643, 644, 362, 666, 836, and 844 are excluded from groups 2, 3, and 4 and designated as a special ceilings category. 2) As of 1 April, silk garments, which were originally free from quotas, have been placed under quota restrictions if they contain over 70 percent silk. That is to say, they are subject to passive quota license management and are placed under group code GS and the category beginning with the figure "7." 3) In accordance with the results of new consultations between China and European Community, textiles under categories 28, 68, and 97 have been changed from non-quota to quota categories.

Contracting Procedures for Foreign Enterprises

HK1411083794 Hong Kong CHING CHI TAO PAO in Chinese No 42, 24 Oct 94

["Chinese Economic News" Column: "Provisional Procedures for Foreign Enterprises To Contract Projects"]

[FBIS Translated Text] China's Ministry of Construction has recently promulgated "Provisional Procedures for Foreign Enterprises To Contract Projects Within the Boundaries of China" together with the implementation rules thereof. From now on, the said procedures will apply to all foreign enterprises, including those from Hong Kong, Taiwan, and Macao, which contract to projects within the boundaries of mainland China, the projects ranging from housing construction, civil engineering, decorating projects, laying of service ducts and pipelines, and installation of equipment. Those who violate the procedures shall be subject to a fine of no less than one thousandth of the total construction value of the project concerned.

The procedures stipulate that the engineering projects available to foreign contractors within the boundaries of mainland China are limited to the following scope: projects built with exclusively foreign investment or foreign grants, projects using loans organized by foreign financial institutions and adopting international competitive bidding, China-foreign joint-venture projects to which enterprises of mainland China have technical difficulty to contract alone. As for construction projects with special items to which mainland China's enterprises cannot contract alone, foreign enterprises shall be allowed to jointly contract to said projects together with some construction enterprises of China, on condition that due approval is gained from province-level competent authorities of the construction administration.

The procedures further stipulate that every foreign enterprise contracting to engineering projects within the boundaries of mainland China must set up its representative office within the boundaries of mainland China which shall be staffed with relevant managerial and engineering personnel and must obtain the Qualification Certificate for Foreign Enterprise contracting to an Engineering Project (hereinafter referred to as a qualification certificate) from the examination authorities in conformity with the procedures provided in the procedures. A foreign enterprise which simultaneously contracts to engineering projects in two or more provinces or autonomous regions or municipalities directly under the central government in mainland China shall apply with China's Ministry of Construction for the "qualification certificate." A foreign enterprise which contracts for engineering projects within one province or autonomous region or municipality directly under the central government shall apply with the construction administrative authorities of the local region where the said project is located for the "qualification certificate." A foreign enterprise contracting to projects in special economic

zones or coastal open cities shall apply with the competent administrative authorities for construction under the local people's government for the "qualification certificate."

A foreign engineering enterprise, when applying for a "qualification certificate," shall furnish the following documents and certificates to the examination authorities: 1) an application signed by the legal representative of the enterprise for contracting to engineering projects within the boundaries of mainland China; 2) the enterprise's business licence issued by the competent authorities of the domicile nation with which it is registered; 3) the enterprise's balance sheets of the three preceding years, and certificate of the enterprise's credit status issued by a public accounting firm or a bank or other financial institution in the domicile state or another state; 4) names, sizes and addresses of the representative projects among those to which the enterprise has contracted in the five preceding years, and the credentials indicating the evaluation of the completed projects, quality and service issued by the owners of the said projects; (5) name list of the responsible person(s) and technical personnel whom the enterprise sends to Mainland China to contract to engineering projects; (6) addresses of the would-be representative office(s) to be set up within the boundaries of Mainland China to contract to engineering projects.

The procedures make it clear that the examination authorities of Mainland China shall decide whether or not to grant the "qualification certificate" to the foreign enterprise within 30 days of the application. The said "qualification certificate" shall be valid for five years. If the foreign enterprise intends to continue contracting to engineering projects after the expiry of the qualification certificate, it must apply with the examination authorities within six months prior to the expiry date for the renewal of the qualification certificate.

Export Growth Increase 'Faster,' Imports Down

OW1111165594 Beijing XINHUA in English 1623
GMT 11 Nov 94

[FBIS Transcribed Text] Beijing, November 11 (XINHUA)—During the January-October period this year China's exports increased at a faster rate than in the same period of last year, according to the General Administration of Customs.

Meanwhile, the import growth rate has shown a declining tendency.

Customs statistics show that in the first ten months of this year imports and exports were worth a total of 177.31 billion U.S. dollars, an increase of 21.7 percent compared with the same period of last year.

During the January-October period China exported 89.86 billion U.S. dollars-worth of commodities, up 29.7 percent, and imported 87.45 billion U.S. dollars-worth of commodities, up 14.5 percent.

The trade surplus stood at 2.41 billion U.S. dollars during the period.

Bureau Issues Quality System Certificates

HK1411082794 Beijing CHINA DAILY in English
14 Nov 94 p 4

[By Ma Zhiping: "Quality Mark: A Symbol of Progressive Market"]

[FBIS Transcribed Text] China has attached great importance to the introduction and implementation of the quality certification system, a common practice which has been used for about 100 years in developed industrial nations to guarantee good quality.

About 8,000 different products made in China have so far been granted such certification marks for their quality and 51 Chinese enterprises and Sino-foreign joint ventures have received quality system certificates.

The certificates are regarded as a passport to the international business and trade world, according to the State Bureau for Technical Supervision (SBTS), which is in charge of administering certification.

The quality of domestically made products has been improved gradually over the past decade thanks to quality control measures introduced by the state. One of these measures is the quality certification system, which works in accordance with rules set by the International Standardization Organization to guarantee quality production and market competitiveness, said Ding Qidong, head of the Conformity Assessment Office under SBTS.

And, unlike its former practice, the government is no longer engaged directly in quality certification. It has entrusted third party organs to carry out certification, as is the common practice in other countries.

And so far 14 independent quality system registration and auditing bodies have been accredited by the National Accreditation Committee for Quality System Registration Bodies. These bodies are authorized to carry out certification or conformity assessment.

"A certificate mark is not only a symbol of recognition but also a mark of obligation, the obligation to produce standard products," said Song Zhanxia, secretary-general of the China Certification Committee for Quality Mark, a body entrusted by SBTS to be solely engaged in product quality and quality system certification.

"We have turned down a number of applications for product certification from some factories despite their enthusiasm," Song said.

The reason was that the enterprises did not deserve such a certificate at present because they did not have a quality control system, or a complete one, to guarantee quality.

"However, by contacting the committee, some of them have learned their real position and some, feeling the growing pressure from competition at home and abroad, have begun to set up their own mechanism for quality control," Song said.

"There would be no square and circle if there were no rules and standards," an old Chinese saying goes.

Upon its establishment three years ago, the China Certification Committee of Quality Mark developed this saying into a special sign for products with safety and sound quality. It is a square with a circle in it.

Apart from the square-circle mark issued by the committee, there are other marks approved by other certification bodies indicating the standard of products, such as the mark of the Great Wall stamped on electrical appliances and instruments.

"By conducting certification and issuing certificates, we have helped create more markets for qualified enterprises with strong strength and sound quality control system," Song said.

In one case, the business opportunities and credit of a Shanghai factory producing special steel spare parts have increased considerably since receiving the quality certification mark two years ago.

"Our quality assurance system is implemented across the whole process of operations, including each single procedure from designing, raw material purchasing, to product delivery," a manager of the factory said.

Song said his committee members consist of people concerned with certification work, including representatives of government departments, producers, consumers, scientific researchers, and quality inspectors.

These specialists are responsible for the administration and supervision of quality certification.

"The main obligation of the China Certification Committee for Quality Mark is to handle certification applications from industrial enterprises in line with regulations and working procedures approved by the State Bureau for Technical Supervision, which is responsible for the national administration of conformity assessment," Song said.

"We are entrusted to arrange the examination and appraisal of enterprises' quality systems and product quality, issue certificates, supervise enterprises that have passed quality certifications and handle concerned complaints," he said. Enterprises apply for certification on a voluntary basis.

"All enterprises are treated equally when looking at standards and quality. Enterprises also have the right to withdraw their application for certification, while the committee—which has more than 1,200 full-time and part-time staff and 54 State-level inspectors—has the

authority to cancel a certificate issued to an enterprise," Song said, stressing the committee's independence.

After about a century since its introduction, people around the world have come to a common understanding about the advantages of quality certification, Song said.

They include:

- Promoting the level of enterprise management and technological development and providing society with more reliable quality products;
- Helping the market to develop and differentiate quality products from unreliable products and helping assure consumers that new products are as good or even better than traditional products;
- Promoting business credibility of commodity wholesalers and retailers, providing consumers with better products and protecting them from being hurt economically;
- Avoiding various kinds of repetitious inspections, thereby saving money, materials, and technical investment; and
- Eliminating technical barriers in international trade and helping promote export enterprises.

Small Towns 'Mushrooming' in Rural Areas

OW1111080094 Beijing XINHUA in English 0637
GMT 11 Nov 94

[FBIS Transcribed Text] Beijing, November 11 (XINHUA)—Towns are mushrooming in rural areas to spur rural economic growth and social development.

Statistics from the Construction Ministry show that at the end of 1993 China had 12,900 towns, not counting county seats, or 2,900 more than at the end of 1989.

With the rapid growth of the rural economy, Chinese farmers have built houses with a total floor space of 8.5 billion square meters with half of them having moved into new homes since the late 1970s.

Meanwhile, township-run enterprises are also mushrooming in rural areas. In 1993, they contributed 74 percent to China's rural economy and provided jobs for 106 million farmers.

In return, the rapid growth of rural industries has stimulated the upgrading and development of existing towns, and has brought about the emergence of new towns and provided work for surplus rural labor.

Towns are now giving impetus to China's rural economic and social development. For example, east China's Anhui Province has 700 towns, 140 of which each has a gross domestic product (the value of goods and services produced) exceeding 100 million yuan annually.

Although these towns account for only two percent of Anhui's land area, rural industries there contributed a third to the province's industrial output value in 1993. Some 10 million farmers are working in these towns.

Neighboring Shandong Province has 1,000 towns whose manufacturing and service industries are helping narrow the gap between urban and rural areas.

Towns in coastal Fujian Province south of there, have become regional markets for such products as edible fungi, narcissus, porcelain, shoes and hats. These products are sold locally to the rest of China and the world.

Economists agree that the growth of China's rural economy will certainly enable surplus farm hands to move to nearby towns and work in township-run factories.

They predict that by the end of the century some 200 million Chinese farmers will leave their fields and migrate to towns all over the country.

The Chinese Government has decided to step up measures for construction of towns in order to accelerate rural economic growth.

An official of the Construction Ministry said that the government will take all possible and feasible steps to quicken the pace of urbanization in rural areas by the year 2000.

By then, living conditions of Chinese farmers will have improved markedly, while 20 percent of the existing towns will have good infrastructure and convenient transportation services, he said.

Construction of 3,000 Rural Towns Planned

OW1411095294 Beijing XINHUA in English 0912
GMT 14 Nov 94

[FBIS Transcribed Text] Shenyang, November 14 (XINHUA)—China will build 3,000 more rural towns by the end of this century, and 500 of them will be given state attention.

This was revealed by Vice Minister of Construction Mao Rubai at a recent meeting on the construction of rural towns in northeast China.

According to the official, construction of rural towns nationwide has been accelerated in the national modernization drive.

In Guangdong, south China, the provincial government regards the construction of rural towns as a major part in its overall economic and social progress.

The provincial government of Shandong, in east China, has set up special work teams to explore ways and means to speed up the urbanization process of the province's rural areas.

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A construction campaign named "100 rural towns" has been launched in Sichuan, China's most populous province in the southwest, as well as in the Beijing-Tianjin-Tanggu region, in north China.

The vice minister said that the building of rural towns must be conducted in strict accordance with local economic development.

In the more prosperous coastal areas, which include Liaoning, Shandong, Jiangsu, Zhejiang, Fujian and Guangdong Provinces, every province will choose one rural county to pioneer urbanization.

In moderately-developed areas, such as north China's Beijing-Tianjin-Tanggu region and northeast China's Helongjiang, Jilin and Liaoning Provinces, experiments are to be continued.

In economically backward areas, mainly west and northwest China, the provinces and regions are encouraged to set up border outlets and rural towns specializing in commerce, trade, tourism and rural industries.

The vice minister said that while emphasizing development of rural towns, local officials must bear in mind the principle of saving land and protecting the environment and ecology.

It is desirable that rural towns be set up in areas where rural enterprises concentrate, Mao said, adding that real estate development should play a big role in the process of urbanization.

Related systems, such as investment mechanisms, social security, construction management and land use, must be reformed, the vice minister said.

Private Enterprise 'Mushrooming' Across Nation

OW1111103194 Beijing XINHUA in English 0910
GMT 11 Nov 94

[FBIS Transcribed Text] Beijing, November 11 (XINHUA)—Private enterprises are mushrooming all across the country, according to the "CHINA BUSINESS TIMES".

A survey shows that China had established 271,400 private enterprises by the end of March this year, employing 4.21 million people with registered capital totalling 81 billion yuan.

The newspaper said that several factors have led to the flourishing private economy, but the main dynamics of the prosperous private economy lie in private enterprises' guidelines of meeting market demand and use of flexible management mechanisms.

Private enterprises owners also devote most attention to information gathering and marketing, which help them improve the competitiveness of their products, expand coverage of the products in the marketplace, and avoid overstocking of products.

Wenzhou, a city in Zhejiang Province buzzing with a private economy, has hundreds of thousands of salesmen scattered across the country just for this purpose.

Private enterprise owners also become entrenched in the market through annexations of and mergers with other enterprises.

The paper said that their characteristically fast capital accumulation is another factor that helps private enterprises expand and acquire a foothold in the market.

From the outset, private enterprises focus on producing the commodities that are in greatest demand, which also require little capital investment. They also introduce new findings in science and technology in production, helping them earn huge profits.

In southeast coastal provinces, many local residents have set up private enterprises with the help of rich overseas relatives.

Apart from these factors, the newspaper attributed the success of flourishing private enterprises to their owners' attention to quality control and to the hiring of more talented people.

To boost consumers' confidence in their products, big private enterprises have employed strict examinations of the products, even going so far as to use imported advanced techniques for quality control from abroad.

Quanzhou Peak Shoes Co. Ltd., a private shoe manufacturer whose products are popular in over 30 countries, has launched a campaign inside the company to ensure the quality of all the shoes it produces.

To offset their minimal educational background, most private enterprise owners attach great importance to employing more educated personnel and technicians.

Some have used higher salaries and greater freedom of movement to lure employees away from government institutions and state-owned factories.

A private company in Zhejiang has made it quite clear that researchers in the company will get a bonus of from 5,000 to 50,000 yuan if they make new findings in their research and will qualify for an even greater additional one if the findings are introduced into production.

The newspaper article also cited private enterprise owners' drive, their efforts at forging an attachment between employees and the enterprises, their contributions to local social welfare, and some government agencies' support as a kind of yeasts that helps leaven the development of private enterprise in the country.

National Commodities Fair Held in Shanghai

HK1411080894 Beijing CHINA DAILY in English
14 Nov 94 p 2

[By Wu Zheng: "Firms Flock to Huge Trade Fair"]

[FBIS Transcribed Text] Shanghai—The '94 Shanghai National Commodities Fair, the country's largest internal trade fair, was kicked off on Saturday at the new Shanghai Business Centre.

More than 1,400 stands cover 40,000 square metres. Exhibitors from 30 provinces and cities are participating in the four-day general fair, which is to be followed by an electric appliances fair, November 18-23.

More than 30,000 kinds of commodities, featuring daily necessities, garments, footwear, hardware, electrical appliances, and stationery, are on show at the fair. The goods are worth around 15 billion yuan (\$1.7 billion), according to the fair's organizing committee.

Co-sponsored by the Shanghai Municipal Government and the Ministry of Internal Trade, the fair, first held in 1992, established itself as the country's largest internal trade fair in 1993, when turnover hit 4.03 billion yuan (\$708 million).

According to Zhang Guangsheng, a member of the organizing committee and the head of municipal government's Finance and Trade Office, this year's fair will be the largest yet because of the completion of the Shanghai Business Centre in Yiminhe Road, in the northeast part of the city.

The centre is said to be the country's largest exhibition site.

Shanghai businesses have organized more than 20 trade teams, whose products account for an estimated 40 percent share of the fair.

Groups from Tianjin and the provinces of Guangdong, Jiangsu, and Zhejiang will also be major exhibitors.

More than 100 overseas enterprises are also taking part in the fair, the organizers said.

News conferences, product promotions, and trade talks were to be held in conjunction with the event.

The electric appliances fair will be held in the Shanghai International Exhibition Centre in the Hongqiao Economic Development Zone.

Center Analyzes October Production, Marketing

HK1411101094 Beijing ZHONGGUO ZHENGQUAN
BAO in Chinese 2 Nov 94 p 1

[By Yu Li (0060 0500) and Bu Fan (2975 2868): "State Information Center Analyzes Industry and the Market Situation in October"]

[FBIS Translated Text] According to the analyses of the State Information Center, in October, China's production of industrial enterprises quickened, economic results somewhat improved, retail markets were brisk, but price levels still remained high.

It was estimated that the output value realized in October would be 368 billion yuan, representing an increase of 26.4 percent over the corresponding month of last year, and the growth rate was expected to be faster than that in September. The economic results further improved, which were concretely manifested in the rise of the composite index of the industrial economic performance and the industrial overall labor productivity. It was estimated that the country's total retail sales of consumer goods in October would be 143.5 billion yuan, an increase of 36.5 percent over the corresponding month of last year. Allowing for the price factor, the actual growth of retail sales was approximately 10 percent. Taken as a whole, the market has cast off the condition of slow growth during the first half of this year and entered a relatively steady rising trend.

Experts pointed out that the main characteristics of industrial production at present include 1) light and heavy industries have quickened their growth simultaneously, with the former apparently faster than the latter, and it is expected that their growth rate in October would be 29.6 and 23.4 percent respectively; 2) there was a favorable tendency of growth in enterprises of various ownerships, with their growth rate repeatedly breaking new records, and it is expected that state-owned, collective, and other industries would grow by 10.1, 39.3, and 46.5 percent respectively in October; and 3) production in central and western regions has been apparently expedited, while the eastern region continued to grow at a high speed.

According to an analysis, the principal reasons for the faster industrial production growth include the somewhat relaxed economic environment, the somewhat mitigated situation of fund shortage, improved marketing conditions, the elevated selling rate, and the rapid growth of household electrical appliances and automobiles which have contributed to the overall industrial growth. Whereas, the brisk consumption demands have been the main reason for rapid recovery of the market since September. Peasants have more money in hand, consumption of social groupings has expanded correspondingly, and demands originated from investment in fixed assets still remained as strong as last year, which, when put together, have engendered market vitality. Experts pointed out that at present, a prominent characteristic of the consumer market is that the multitude of retail price increases in rural areas has been higher than in urban districts over the past six months, and the gap of physical sales between rural and urban areas has widened. Since September, actual consumption in the coastal region has been generally higher than in the landlocked provinces. As analyzed, the current round of price rises has spread from cities to rural areas, and from the developed coastal region to the hinterland, which has basically completed a cycle according to its own specific law and reached peak value in September. In the future, the inflationary pressure across the country will be gradually relieved. The retail sale price rises in the relatively faster economic development areas, including

Beijing, Tianjin, Hainan, Shanghai, Guangdong, Yunnan, and so on, were 4.1 to 9.4 percentage points lower than the national average of 24.6 percent, which were the first to extricate themselves from the condition of high commodity prices. However, people are still deeply concerned about the current situation that market prices remain very high, so it is imperative to adopt temporary as well as permanent measures to curb inflation.

In addition, according to an initial forecast, the industrial output value in November will reach 382 billion yuan, an increase of 23.1 percent over the corresponding month last year, and the continuous bleak market of means of production will recover to some extent, which will steady the growth of industrial production, and, at the same time, give impetus to quickening the production of heavy industry. It is anticipated that the total retail sales of consumer goods in November will be 149 billion yuan, an increase of 35.2 percent, but the future retail sales of consumer goods will not increase as substantially as the previous months.

Article Analyzes Rising Trend of Foreign Debt

HK1111062894 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0909 GMT 1 Nov 94

["Special article" by reporter Szu Liang (1835 5328):
"China Is Well Prepared for Servicing Foreign Debt"]

[FBIS Translated Text] Hong Kong, 1 Nov (ZHONGGUO TONGXUN SHE)—In recent years, China's economy has grown relatively rapidly, and demands for funds have increased. Apart from issuing treasury bonds at home every year, China also has borrowed a certain amount of loans from foreign countries, and the amount of debt has shown a yearly increase of more than \$10 billion. The continuous, rapid growth of foreign debt has caused the mainland not only to swiftly approach the critical point of the debt index, but also to enter the peak period of debt repayment for three to four years continuously. Naturally, this situation has made people follow with interest the largest loan balance and repaying capability for foreign debts that the mainland can tolerate in the next few years of the 1990's.

The balance of loans the mainland has borrowed from foreign countries has increased sharply from the previous \$4 billion to \$16 billion in 1986, and in 1988 it exceeded \$40 billion. According to the latest official prediction, the foreign debt balance will exceed \$100 billion by the end of this year on the basis of \$83.57 billion last year, thereby becoming the fifth-largest debtor country in the world. This year, the mainland's amount for repayment of principal and payment of interest will reach as high as \$20 billion, which will be an increase of \$2 billion over the previous year.

Confronted with the tendency of continuously increasing foreign debt, the mainland's economic officials and experts believe, through analyses, that China's

foreign debt is still within the limits of control, and that its repayment capability is safely bolstered in many ways.

First, China's debt-service ratio and debt ratio are both within the internationally acknowledged safe zone, of which the debt-service ratio is always below the world-acknowledged security line of 20 percent. Last year, the debt-service ratio was only 9.7 percent, while the debt ratio was 94.52 percent.

Second, the success of foreign exchange structural reform in China has enabled foreign exchange reserves to grow substantially, and the reserves of this year will hit a record high since the reform and opening up began 15 years ago. According to the new statistical method, foreign exchange reserves that the state has the right to control and transfer increased by \$6 billion in the first two months of this year. Up to the end of September, the total reserves reached \$39.83 billion, increasing by \$18.63 billion over the figure of \$21.2 billion at the beginning of this year, and the margin of increase was as high as 88 percent. At present, the rising trend still continues, so it is certain that total reserves will exceed \$40 billion by the end of this year.

Third, the greatest extent of repaying principal and paying interest that China can tolerate in the 1990's will depend on the scope of earning foreign exchange through exports, and its growth rate. Over the past few years, China's exports have been stable, with a slight increase, and the export structure is being readjusted and upgraded in the direction of giving priority to manufactured goods and to high value-added products produced with advanced technology.

China's foreign trade, which attained comparatively rapid development in the 1980's, has witnessed further sustained and rapid growth since the beginning of the 1990's. In 1992, the total volume of imports and exports was \$165.6 billion, which was 5.6 times the figure of 1979, and its average annual increase was 14.2 percent. Last year, the total volume of imports and exports again increased by 18.2 percent over the previous year. Between January and September this year, it registered an increase of 22.1 percent over the corresponding period last year, of which exports increased by 29.7 percent, higher than the growth rate of imports, which was 15.2 percent. It is predicted that the total volume of imports and exports this year will exceed \$210 billion, and the import and export trade gradually has achieved a balance. A mainland official said a few days ago that by the year 2000, China's total volume of imports and exports will reach \$400 billion.

Fourth, with the enthusiastic encouragement and support of the authorities, various provinces, cities, departments, and enterprises that have borrowed relatively more money, are establishing repayment funds according to the proportion of debt balance in order to ensure debt repayments on schedule. This foreign debt repayment mechanism is conducive to raising China's

repayment capability during the peak period, as well as its international credit rating.

Economic experts feel that in view of China's ability to maintain a favorable balance of international payments in the next few years, its actual capability to repay foreign debts will increase, and the largest foreign debt increase that China's economy can endure will be between \$100 billion and \$140 billion by the end of this century. Nevertheless, foreign debt cannot be expanded without restriction.

A national foreign exchange and foreign debt management work meeting was held in China recently. It has been learned that the relevant authorities were alerted by the problems that foreign debt balance had been close to export volume, and its growth rate had become faster than that of national economic development. Hence, such issues as the amount, structure, and use of foreign debts under the new foreign trade and foreign exchange structures were discussed at the meeting. In a bid to produce better economic results by the use of foreign debts and to guarantee the ability to repay principal with interest, China will limit the total amount of foreign debt to an acceptable range, and will exercise supervision over the debt structure and effect of using debts.

Commentator Urges Attention to Peasants' 'Burden'

HK1111062794 Beijing JINGJI CANKAO BAO in Chinese 21 Oct 94 p 1

[Commentator's article: "Hidden Burden on Peasants Must Not Be Neglected"]

[FBIS Translated Text] Over the past two years, the CPC Central Committee and the State Council have attached great importance to lightening the peasants' burden. This was particularly so last year. More than 30 serious cases involving burdens on peasants were handled across the country and severe punishment was meted out. This has won the great support of the people and has curbed the momentum of increasing burdens on peasants year after year.

It has been reported that the burden on peasants was dramatically lightened last year. By cutting items of payment to be collected from peasants and lowering the standards of charges, various localities lightened the burden on peasants by 10.3 billion yuan, or 11.6 yuan per capita, of which the amount of funds borne by peasants, funds retained by villages, and funds arranged by townships in a unified manner was 32.4 yuan per capita, accounting for 4.68 percent of the per capita net income of last year—much lower than the 6.2 percent in 1992. The burden in the form of labor service (voluntary labor service and labor service for accumulation funds) was 18.8 workdays on average, of which payment in lieu of labor was 20 percent less than the previous year. This has far-reaching significance for protecting the legitimate rights and interests of the peasants, arousing their enthusiasm about production, and promoting agricultural development.

Nevertheless, an analysis of data collected from various localities in the first three quarters of this year shows that the problem of excessive burden on peasants has not yet been substantively solved. Thinking that the wind of lightening the peasants' burden has blown over, some localities have again followed their own ways and stretched out their hands to take money from the peasants. The problem of the peasants' burden is again being put on the agenda. According to a survey, in the first three quarters of this year, the amounts retained by collectives and apportionments collected rose the most rapidly, reaching a level 75 percent higher than the same period last year. This was followed by payments to the state by collectives, which increased by 35 percent. The peasants find it difficult to bear such a rapid increase in various kinds of burdens.

The burden mentioned above is visible and it can be reduced very quickly if we pay attention to it. However, what troubles the peasants most is their heavy hidden burden, which includes numerous unreasonable charges and apportionments and the tendency of the widening scissors of prices between industrial and agricultural products.

Let us take as an example the scissors of prices between industrial and agricultural products. Although the state has made great efforts to raise grain prices and to narrow the scissors of prices between industrial and agricultural products, the problem still cannot be fundamentally solved. For example, many localities have reported that, in less than half a year since the state raised the purchase prices of grain by a large margin, the benefits brought to the peasants thanks to increasing the prices of agricultural products has already been offset by the increasing prices of the means of agricultural production, such as pesticides, chemical fertilizers, plastic sheets for agriculture, water supply, and electricity supply. Again, some specialists have estimated that, from 1990 to 1992, the surplus value transferred from agriculture in the form of the price scissors were respectively 96.9 billion yuan, 135 billion yuan, and 164.7 billion yuan. Therefore, compared with the agricultural tax, this "hidden burden" is heavier.

What has given rise to such a situation? It is necessary to analyze the issue of perfecting the market system. At present, industrial products have already entered the market in China, but agricultural products have never been able to go beyond the framework of wavering between restrictions and the removal of restrictions, although the number and quantity of agricultural products regulated by the market have been increasing year after year. Therefore, the exchange between industrial and agricultural products is no longer completely controlled by the government as it was in the early stage of reform. Nor is it an exchange at an equal value on the basis of balanced prices.

Therefore, in talking about lightening the peasants' burden, we should widen our vision. We should not just

ensure, through supervision and control, that the amounts of funds retained or arranged in a unified manner will not exceed 5 percent of the net income, as stipulated by the State Council, but should also pursue a target of readjusting the relations of interests between various sectors, increasing the actual income of the peasants, and protecting the vital interests of peasants against infringement, and put in order and standardize all economic contents involving the burden on peasants, especially the hidden burden.

Some people of insight have proposed that, where conditions are ripe, various kinds of burdens on peasants should be standardized in the form of state and local taxes. They think that many government functions which should be maintained with state finance, such as balancing profits of production, family planning, militia training, helping poor households and families of martyrs and servicemen, and so on, are maintained by township and village organs of state power by means of funds retained by townships or funds arranged in a unified manner by villages. This has mixed taxes with charges, has caused confusion in collecting taxes and charges, and has led to the use of taxes and charges at random. Therefore, the way to solve this problem is to make the hidden burden visible. Before the scissors of prices between industrial and agricultural products can be eliminated, this part of the hidden burden should be gradually fixed by including it in the agricultural tax system, and the part of funds retained by collectives should be standardized in the form of local tax to facilitate management, supervision, and control.

As mentioned above, after the peasants pay taxes according to law, they should have complete decision-making powers in management; no departments or units should have any right to interfere in their distribution of interests; nor should any department or unit collect apportionments or funds to be arranged in a unified manner, raise funds, or collect donations at will. Only in this way can the legitimate rights and interests of the peasants truly be protected.

Imports of Auto Technology To Continue

OW1111081694 Beijing XINHUA in English 0626
GMT 11 Nov 94

[FBIS Transcribed Text] Changchun, November 11 (XINHUA)—China will mainly rely on itself in developing the automotive industry while continuing to import technology from overseas to upgrade its own products in the coming years, Chinese automobile industrial experts said.

The China No. One Automobile Industry Group, maker of China's first car, has (?introduced) innovations in the "Red Flag" limousine by absorbing advanced foreign technology. As a result, it has produced the more advanced model 94.

The eight-ton diesel lorry of the Dongfeng Automobile Company, another major auto maker, is up to international standards thanks to the use of similar methods.

Encouraged by the present government policies, key automobile enterprises across the country have already established their own independent research and development institutes where dozens of new products can be developed each year by absorbing advanced foreign technology, the experts disclosed.

The research institute attached to the No. One Automobile Corporation in Changchun is the largest of its kind in China, employing more than 2,000 people. It is now developing over 20 varieties of light-duty vehicles and limousines per year.

"Only by having the ability to develop automobiles on its own, can China's domestic automobile industry exist," said Geng Zhaojie, general manager of the No. One Automobile Company.

To achieve this, the No. One Automobile Company has over the past eight years been mainly relying on itself in its development while importing technology for the motors and cabs in the development of new models.

The company is now capable of producing 60,000 "Liberation" brand light-duty lorries a year, using almost all Chinese technology.

To enhance research, automobile producers in China are now increasing investment in advanced designs, and in experiments and testing of equipment. Market research is also being pushed.

Chinese experts acknowledged that in the area of development there is still a gap between China's automobile industry and that of the world's advanced countries. This makes it necessary for China to continue to import key equipment and technical know-how.

Textile Council Unveils Plans To Upgrade Industry

HK1411054194 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 13-19 Nov 94 p 8

[By Qiu Qi: "Nation Plays Catch-Up In Synthetic Textile Industry"]

[FBIS Transcribed Text] Expansion of synthetic fibre output and major enhancement in finishing technology will be key measures to upgrade the Chinese textile industry in the remaining years of the century.

During the Ninth Five-Year Plan period (1996-2000), the country will launch a batch of large-scale synthetic fibre bases to stimulate production at older enterprises, especially those with medium or small production capacity and high costs, according to a working plan by the China National Textile Council.

So far, China has more than 700 synthetic fibre enterprises with an average annual production capacity of 4,000 tons.

By 2000, China is expected to produce 3.5 million tons of man-made fibre annually, compared with 2.2 million last year, the council said.

In spite of its 12 percent annual growth rate, synthetic fibre production here lags far behind industrial need.

Every year, the country imports about 500,000 tons of synthetic fibre. Domestic production accounts for only 29 percent of the country's total textile materials—equal to the level of developed countries in the 1960's.

By the end of the century, China will also employ a wider use of synthetic fibres in industrial and decorative sectors, said Xu Kunyuan, vice chairman of the council.

Through the 1990's so far, consumption of industrial fibre is 250,000 tons, accounting for a small 3 percent of the total consumption of fibres.

Synthetic fibre raw materials, whose low output hampers the development of the country's synthetic fibre industry, is going to grow in the following years, Xu said.

At this stage, China imports 200,000 tons of polyester and 300,000 tons of PTA yearly.

The appearance of big-name manufacturers like Du Pont, Amoco, Hoechst Celanese, and ICI in the country has improved the production of raw materials.

In contrast with the expansion of manmade fibre production, a major material for textile products, the enhancement of printing and finishing technology, which decides the grade of the final textile products, is also crucial for the country's textile industry, the vice chairman said.

Xu also said outdated printing, dying, and finishing technology and equipment has become a bottleneck in the textile industry.

Currently, China imports a large amount of fabrics annually which deducts its export income of garments to some extent.

Fluctuation of the world's textile market in the next few decades will affect the development of China's textile industry, Xu pointed out.

China is expected to export more high value-added garments. Exports of such garments account for more than 60 percent of total textile exports.

However, a large quantity of the exported garments are still low-grade products with low prices.

Xu added that further efforts will be made to improve the quality of the low-grade products to boost sales revenue at both domestic and foreign markets.

Oilfield To Start Operation in South China Sea

OW1011145594 Beijing XINHUA in English 1416
GMT 10 Nov 94

[FBIS Transcribed Text] Guangzhou, November 10 (XINHUA)—The Sino-U.S. jointly developed Xijiang

24-3 oilfield will soon start operation in the South China Sea, according to a news briefing here today.

It will be the fourth to have started operation in the eastern waters of the South China Sea by way of joint development with foreign oil companies. The other three are the Huizhou 21-1, Huizhou 26-1 and Lufeng 13-1 oilfields.

The Xijiang 24-3 oilfield, which was jointly developed by the China Offshore Oil Nanhai Eastern Company, and PPICA and the Pecten Orient Co. of the United States at a depth of 100 m, is located in the 15/11 contract zone at the mouth of the Pearl river and 130 km from Hong Kong.

The oilfield was first discovered in 1985. It has an area of 9.3 sq km and reserves of 29.09 million cu m [cubic meters]. It is estimated that the annual output of oil at the oilfield, construction of which started in January 1992, could be 1.3 million tons a day at its peak.

Another oilfield, the Xijiang 30-2, was also found in the 15/22 contract zone, in 1988, and construction began in 1992. It is expected to begin operation next November.

Advanced offshore oil prospecting technology has been applied to the construction of the Xijiang 24-3 and 30-2 oilfields. The two oilfields have fixed production platforms connected by a marine pipeline. The two oilfields also share a single-point anchorage system and an oil storage tanker of 150,000 dwt.

The construction of the oilfields will cost 600 million U.S. dollars. The Chinese side is providing 51 percent of the investment for the construction of the Xijiang 24-3 oilfield.

Officials on Planned Social Security Reform

OW1411102694 Beijing XINHUA in English 0952
GMT 14 Nov 94

[FBIS Transcribed Text] Beijing, November 14 (XINHUA)—To meet the demands of building a modern enterprise system, China plans to unveil a new package of social security reforms next year, according to officials.

In improving social security, top priority will be given to building a better insurance system for unemployment, pension and medical care, the officials said.

According to the officials, a fund will be set up for the welfare of the unemployed, including medical care.

All enterprises will have to take out unemployment insurance policies, at a cost of one percent of the total pay of all workers and staff members.

An unemployed worker who has worked for two consecutive years will be able to get bimonthly relief equal to half of the average income of local workers to cover his daily expenses.

The officials said that the existing unemployment insurance system in the state-run enterprises will be expanded to the collectively-owned and private sectors as well as to the foreign-funded joint ventures in urban areas in the coming year.

A new urban insurance system for retirement pensions and medical care will be set up in the coming year, the officials said, adding that it will consist of a basic pension, subsidies from the enterprises, social assistance and personal bank deposits.

According to the officials, the state is to set up a special insurance fund for people laid off from bankrupt enterprises and enterprises undergoing reorganization.

CCTV To Auction Prime Time Slots for Commercials

HK1411100694 Beijing ZHONGGUO XINWEN SHE
in English 0811 GMT 14 Nov 94

[FBIS Transcribed Text] Beijing, November 14 (CNS)—The China Central Television (CCTV) has found it hard to meet the needs of enterprises for ads in its limited prime time. CCTV has recently decided to auction its ads time in prime time of 1995. The bidding is scheduled to be held this month.

The prime time refers to the time shortly before announcement of 19:00 hours, one minute after the 7 o'clock news in the evening and two plaques shown during the "Focus" in the channel one of CCTV. 180 enterprises have applied for bidding and they are engaged in production of medicine, liquor, foodstuff, electronic appliance and so on. CCTV will set a lowest price for each item, and the auction will be completed and notarized on the spot. And the winner will be announced publicly right away. The winner is given the designated ads time for the whole year, and is entitled to transferring the time to other enterprises on condition they are in the same line as far as product is concerned.

The bidders are requested to strictly observe the rule that one product can only be entrusted to one ads agency so as to avoid self-contradiction.

Copyright Official Discusses Protection

HK1111063194 Beijing GUANGMING RIBAO in
Chinese 29 Oct 94 p 1

["GUANGMING Forum" article by Yu Youxian (0060 2589 0341), director of the State Copyright Administration: "China Makes New Progress in Copyright Protection—Written on the Second Anniversary of China's Accession to International Copyright Conventions"]

[FBIS Translated Text] In July, 1992, one year after the "PRC Copyright Law" came into force, the National People's Congress [NPC] Standing Committee convened its 26th meeting, which decided that China should accede to both the "Bern Convention" and the "World

Copyright Convention." By October 1994, the two international copyright conventions had been in force in China for two years.

Although two years is by no means a long period, China has made world-renowned progress with regard to copyright protection in the last two years. If enforcement of the "PRC Copyright Law" can be viewed as a milestone in China's copyright protection work, China's accession to the two international copyright conventions could well be regarded as another monument to China's copyright protection work.

First, China now has built a basically comprehensive legal system for copyright protection. In September 1992, China's State Council promulgated the "Regulations for International Copyright Convention Enforcement." In early 1993, China acceded to the "Convention on Protection of Recorded Product Manufacturers, and Prevention of Unauthorized Reproduction of Recorded Products." In order to secure more effective protection of legitimate rights and of the interests of copyright owners, and to penalize grave copyright violations, the Eighth NPC Standing Committee convened its eighth meeting in July, 1994, which adopted the "Decision on Punishing Copyright Violations." In September 1994, China's State Council promulgated the "Videotaped Product Management Regulations." The promulgation and enforcement of these regulations no doubt have enabled China to join the ranks of advanced countries in the world with respect to copyright protection legislation.

Second, China has made rapid progress in the judicial and administrative management of copyrights. Since 1993, higher people's courts in five provinces and municipalities—including Beijing, Shanghai, Guangdong, Fujian, and Hainan—as well as intermediate people's courts in some cities have set up more than ten intellectual property rights courts. Furthermore, special collegiate benches for intellectual property rights disputes also have been set up in some areas where the provincial, autonomous regional, and municipal people's governments are located. The fact that intellectual property rights disputes are being handled in such a professional fashion is of particular significance to China's belated copyright protection work.

In addition, China has set up a large number of copyright administration and management organs in the last two years. A total of 28 provinces, autonomous regions, and municipalities have set up copyright bureaus. These institutions have been playing an important role in safeguarding the rights and interests of copyright owners, in mediating disputes, in investigating and handling serious copyright violations, as well as in some other areas.

Thanks to the continuing perfection of the copyright law enforcement system, China's copyright protection work has made much headway in the last two years. The Chinese Government has attached great importance to copyright propaganda and universalization, and has scored initial results in this regard. As a result, copyright

propaganda and universalization has been written into the country's second five-year law universalization plan, and has thereby become one of the country's regular endeavors. In particular, thanks to support from the central departments concerned, the State Copyright Administration, in cooperation with some other relevant units, launched a nationwide law universalization and propaganda campaign from May to June 1994. According to reports, the propaganda campaign was timely, effective, and conducive to enhancing copyright protection consciousness and guaranteeing copyright law enforcement.

While sparing no effort to propagate the copyright law, copyright administration and management organs at all levels also have stepped up the crackdown on illegal reproduction, as well as the investigation and punishment of copyright violations. According to incomplete statistics released by the departments concerned, a total of more than 3 million illegally printed books and more than 450,000 illegally duplicated videotapes were seized in the country in 1993. In April this year, copyright administration and management organs in Guangdong, Jiangsu, Beijing, and some other areas unfolded a large-scale screening of audio and video products (especially laser discs), thus dealing a head-on blow at such illegal activities as producing and marketing counterfeit products.

Since acceding to the international copyright conventions, China has rapidly built a copyright service system. The State Copyright Administration, as well as the local copyright administration and management organs, have helped to build and perfect a large number of copyright service institutions, including copyright agencies, centralized copyright management institutions, copyright remuneration reception and transfer institutions, and so on. By the end of September this year, the State Copyright Administration had approved the establishment of a total of 19 copyright agencies. Earlier this year, the China Musical Copyright Association officially joined Confederation Internationale des Societes d'Auteurs et Compositeurs (CISAC) [previous phrase published in French] [International Confederation of Societies of Authors and Composers]. Moreover, the State Copyright Administration also has designated several copyright attestation institutions. All these measures have made it convenient for China to make use of foreign works, and for foreign countries to make use of the Chinese works in accordance with the law. The official designation of copyright attestation institutions has provided additional guarantees and protection for the rights and interests of both owners and users of copyrights.

Nonetheless, we also should be fully aware of those problems still hampering China's copyright protection work at the moment. In order to reap sudden huge profits, certain unlawful elements are still manufacturing and selling all sorts of counterfeit books, videotapes, cassette tapes, laser discs, and computer software in large quantities. Such copyright violations not only have harmed the legitimate rights and interests of both Chinese and foreign copyright owners, exerted a negative

impact on the socialist cultural market, and undermined the building of spiritual civilization, but also have jeopardized China's scientific, technological, and cultural exchanges, as well as its economic cooperation with the outside world. Therefore, cracking down on copyright violations remains an important task for both the State Copyright Administration and for the copyright administration and management organs at all levels, both at present and for a long time to come. The NPC Standing Committee adopted the "Decision on Punishing Copyright Violation Crimes" in July of this year, thus providing a new and powerful weapon for cracking down on copyright violations.

The protection of intellectual property rights, including copyrights, symbolizes a country's civilization. China is a country with an ancient civilization. The Chinese Government is determined to make a success of the work. As a signatory to the international copyright conventions, China is able to protect the rights and interests of Chinese and foreign copyright owners in accordance with international standards. For its part, the State Copyright Administration will make redoubled efforts to strengthen copyright protection work, and will make continued contributions to the Sino-foreign scientific, technological, and cultural exchanges and to the human civilization as well.

Deng Nan Urges Effort To Reduce Pollution

HK1411025794 Beijing ZHONGGUO XINWEN SHE
in English 0413 GMT 12 Nov 94

[FBIS Transcribed Text] Beijing, November 12 (CNS)—An exhibition on the comprehensive utilization of natural resources and the control of industrial pollution, jointly organized by the State Planning Commission and the State Science & Technology Commission of China, has been held in Beijing recently. About 200 practical new-tech items were displayed and views were exchanged at the exhibition.

China has achieved an obvious success in its comprehensive utilization of natural resources since 1960s and its harnessing of industrial waste gas, waste water and waste refuse in recent years. However, its management and technology level on comprehensive utilization of natural resources still lag far behind that of developed countries.

As a result, vice-minister of the State Science & Technology Commission, Deng Nan, raised five suggestions at the exhibition:

1. To put the comprehensive utilization of natural resources and the control of industrial pollution on agenda of government departments concerned at different levels as of strategic importance;
2. To advocate for clean production and carry out stricter control over waste gas, waste water and waste refuse. Clean production will help enhance rate of utility of natural resources and reduce discharge volume of industrial waste;

3. To develop applied technology and speed up the application of science and technology research results into actual production;
4. To quicken industrialization progress in the comprehensive utilization of natural resources;
5. To build up a new system that can be developed persistently through the implementation of economic policies and means.

Chen Junsheng Inspects Grain Yield in Guangdong

HK1011145794 Beijing ZHONGGUO XINWEN SHE
in English 1433 GMT 10 Nov 94

[FBIS Transcribed Text] Guangzhou, November 10 (CNS)—Guangdong Province has gained a bumper agricultural harvest after the severe natural disaster, reversing the trend of reduction in grain yield seen in past three years. State Councillor Chen Junsheng, who is inspecting agriculture in Guangdong, highly spoke of the achievement.

Sown area for grain in Guangdong reached 3.306 million hectares this year, an increase of 79,600 hectares over last year. In the second half of the year, administrative, economic and legal measures were taken to guarantee sown grain area according to grain losses in disaster, resulting in such a bumper harvest. It is estimated that the total grain yield will amount to 16.58 million tonnes and rice yield 14.3397 million tonnes this year with a respective increase of 294,900 tonnes and 81,600 tonnes than last year.

It was not an easy job for Guangdong to achieve such a success, it indicated that Guangdong government not only focused its attention on the secondary and tertiary industries but also on agriculture, especially on grain production, said Mr. Chen after inspection.

Mr. Chen believed that there were still great potentialities in grain production in the province and it was possible to further raise self-supporting rate on grain. While guaranteeing the current sown grain area, the province could also expand grain area by tapping riverbed and wasteland. Unit yield could be raised and advanced cultivation techniques be adapted, improved varieties should be popularized so as to bring grain yield in the province to a new level.

Liu Jiang Urges Township Enterprise Development

OW1311132994 Beijing XINHUA in English 1320
GMT 13 Nov 94

[FBIS Transcribed Text] Beijing, November 13 (XINHUA)—The rural firms, China's fast-growing economic sector, should press ahead for the country's industrialization and improvement of 900 million farmers' income.

Minister of Agriculture Liu Jiang said here today that both the domestic and international situation is favorable for the development of the township enterprises in China.

Therefore, these rural firms should overcome the existing difficulties and contribute more to the country's rural industrialization, agricultural development and improvement of farmers' income, he added.

Speaking at a meeting to commend 1,000 rural and township enterprises, the minister noted that the economies of the Western developed nations are beginning to recover steadily and a large proportion of international capital to flow into the fast-growing Eastern Asian region.

China, a potentially huge market with a population of about 1.2 billion, has been politically stable and its economy has kept growing at a fast speed during the past 15 years, the minister said.

"Rural firms in China should seize this opportunity to use more overseas funds, advanced technical know-how, equipment and management experience," Liu said.

Domestic reforms have been developing in a deep-going way this year. The major reforms in fiscal, foreign exchange, foreign trade, investment, pricing and circulation systems that have been introduced by the central government, in particular, will facilitate the development of the rural firms in a long run, he added.

The sustained, fast development of national economy from January to September this year also created a good environment for the township enterprises, the minister said.

Total output of rural firms reached 1,668.5 billion yuan during the first nine months of this year, of which 1,462 billion yuan worth of products of rural firms were marketed, representing a rise of 53 percent over the same period last year.

To date, the number of joint ventures run by rural firms and foreign investors has reached 35,000 nationwide.

However, he noted, these rural firms are faced with a number of difficulties, such as a lack of capital and operating funds and the insufficient tapping of their existing production capacities.

Liu urged the enterprises to continue improving management and quality, reducing environmental pollution, and further expanding tertiary trade sectors.

Hunan, Jilin, Guangdong Increase Grain Production

HK1411130694 Beijing CEI Database in English
14 Nov 94

[FBIS Transcribed Text] Beijing (CEIS)—The three provinces of Hunan, Jilin and Guangdong have reported increase in their grain production this year, according to official reports.

Hunan, a leading agricultural province in central China, has gathered in 27.05 million tons of grain, 220,000 tons of cotton and 986,000 tons of oilseeds this year, up 2.8 percent, 5.9 percent and 24.7 percent from 1993 respectively, according to the Provincial Statistical Bureau.

The province has provided 39.55 million pigs for slaughtering and produced 718,000 tons of aquatic products, an increase of 8.5 percent and 5.6 percent over 1993 respectively, the bureau reported.

In Jilin, a leading grain producer in Northeast China, total grain production amounted to 20.15 million tons, a second high record.

Guangdong province in South China, which was seriously stricken by floods, reported a grain harvest of 16.58 million tons of grain, 294,900 tons more than 1993.

State Receives \$5.2-Billion Loan for Grain

HK1111120494 Beijing CHINA DAILY in English
11 Nov 94 p 1

[By Wu Yunhe: "State Uses \$5.2b Loan For Grain and Cotton"]

[FBIS Transcribed Text] The Agricultural Bank of China has put up billions of dollars to finance the state's grain and cotton purchase.

The bank, the country's leading rural investor, has granted 44.9 billion yuan (\$5.2 billion) worth of loans in the last two months to bolster grass-roots commercial units purchasing power.

With the bank's help, commercial units have bought more than 46 million tons of grain and 1.85 million tons of cotton from farmers.

State-owned commercial units have to fulfill a massive grain and cotton purchase programme this fall, buying at least 60 percent of the state's farm and sideline produce for the year.

The autumn grain harvest is expected to be nearly the same as last year's, while cotton output is predicted to reach 4.5 million tons, far more than the 3.6 million tons reaped last year.

To encourage farmers to sell their produce, the state has raised its purchasing prices by a considerable margin.

The state-set cotton price is about 544 yuan (\$63.2) per 50 kilograms, up 202 yuan (\$23.5) since last year.

And this year, central government is making grain and cotton purchase a top priority in the hope of enhancing its depleted stocks, according to the Ministry of Internal Trade.

The ministry said that the government considers the work vital to ensuring a stable market supply of farm produce and tackling inflation next year.

The government is expected to purchase more than 30 million tons of spring and winter wheat this year.

As for cotton, the ministry said commercial units have planned to buy 2 million tons from farmers by the end of this year.

The ministry has stressed that no IOUs should be issued to cotton and grain growers and the Agricultural Bank of China has promised to guarantee adequate funds.

The State Statistics Bureau said that the per capita income of farmers has improved markedly this year, thanks to the increased purchasing prices and enlarged financial inputs in the countryside.

Shandong, Jiangsu, Hebei, Henan, and Hubei Provinces and the Xinjiang Uygur Autonomous Region are the major cotton-producing centres across the country.

The growth of rural per capita income has outpaced urban wages during the first three quarters of this year for the first time.

Per capita income for urban residents reached 2,268 yuan (\$263.7)—up 6.8 percent from the same period of last year, taking inflation into account.

In contrast, farmers saw their average nine-month income gain a year-on-year inflation-adjustment of 10 percent with wages rising to hit 840 yuan (\$97.7).

The bank said that 80 percent of its loans, earmarked for supporting state purchase of farm and sideline produce, have been used for buying grain, cotton, and edible oil.

Although the former Agricultural Bank of China was split into two in summer this year, with the establishment of the new Agricultural Development Bank (ADB), the bank is still playing a role as a major credit supplier in the countryside.

Farmers Increasing Production-Related Investment

OW1111081894 Beijing XINHUA in English 0619
GMT 11 Nov 94

[FBIS Transcribed Text] Beijing, November 11 (XINHUA)—A survey conducted by the State Statistics Bureau has shown that Chinese farmers are now spending more on production.

Between January and September of this year, the cash input by farmers in production and related areas has increased by 26.1 percent compared with that of the same period of last year.

In the nine-month period, the per capita cash input in production by rural people was 244.3 yuan, an increase of 50.5 yuan over the corresponding period of last year.

Allowing for price hike factors, the real increase was 5.6 percent according to the sample survey.

The survey said that at present, rural people are very enthusiastic about increasing the cash input in farm production, because of the central government's preferential policies for agriculture, such as strict controls on price hikes, increased purchase prices for farm products, and larger agricultural loans.

East Region

Fujian Province Reports Strong Economic Growth

OW1311133394 Beijing XINHUA in English 1330
GMT 13 Nov 94

[FBIS Transcribed Text] Fuzhou, November 13 (XINHUA)—Coastal Fujian Province has scored a big increase in the gross domestic product, revenues and incomes of local residents since the beginning of this year, according to the provincial government.

A spokesman for the provincial government said that Fujian's gross domestic product (GDP)—the value of goods and services produced—amounted to 88.4 billion yuan in the first nine months of 1994, up nearly 21 percent from the same period in 1993 and ten percentage points higher than the nation's average.

The spokesman predicted that Fujian's GDP will shoot up 20 percent to 142.6 billion yuan for the whole of 1994.

The province's revenues jumped 32 percent in the first ten months of this year to 10.8 billion yuan, he said.

"The market is brisk throughout Fujian as a result of higher incomes of urban and rural residents," he said.

The per-capita income of urban residents averaged 2,538 yuan in the January-September period, up six percent in real terms from the same period in 1993.

The per-capita income of rural residents is expected to reach 1,500 yuan for all of 1994, 300 yuan more than in 1993, the spokesman said.

"An export-led economy has become a locomotive for Fujian's economic expansion," he said.

Fujian, one of the most developed areas in China, exported 6.65 billion U.S. dollars worth of goods in the first ten months of 1994, up nearly 48 percent from the same period in 1993, he said.

Local firms signed 2,533 economic cooperation contracts with overseas firms during that period, involving almost 6.2 billion dollars in total foreign investment, he said.

Meanwhile, Fujian has curbed an excessive increase in investment in fixed assets, in a bid to control inflation and improve the investment structure, the spokesman noted.

State-owned enterprises and institutions spent a total of 15.57 billion yuan on fixed assets in the first nine months of 1994, a 45 percent increase over the same period in 1993, he said.

But the increase was roughly 58 percentage points lower than the rise in the same period in 1993, he added.

Fujian spent 6.5 billion yuan on the construction of infrastructure and basic industries in the first nine months of 1994, up some 56 percent, he said.

As a result, Fujian's generating capacity rose by 640,000 kilowatts during the first nine months of this year, he said.

Fujian's electricity production shot up 15 percent during the January-October period to 18.9 billion kilowatt-hours.

Some 1,200 kilometers of new roads will be completed at the end of this year, the spokesman said, adding that construction of Fujian's first expressway from Quanzhou to the coastal city of Xiamen is well under way.

Local economists are optimistic about Fujian's economic growth in 1995 because the reform of the financial, taxation, foreign trade, foreign exchange and investment systems are going well.

The success of the reforms will pave the way for "sustained, rapid and sound" economic growth next year, one economist said.

Fujian Foreign Trade Exceeds \$10 Billion

HK1011145594 Beijing ZHONGGUO XINWEN SHE
in English 1236 GMT 10 Nov 94

[FBIS Transcribed Text] Fuzhou, November 10 (CNS)—The foreign trade was valued at U.S.\$10.249 billion in Fujian Province by late last October, a value more than the historical record of the year-round trade value in 1993. It is for the first time that the province saw a foreign trade value more than US\$10 billion.

Speaking at a news briefing today, the spokesman for the provincial government said that a sharp growth in export was seen in Fujian during this year which was put at US\$6.651 billion between last January and October across the province, 47.71 percent up over the same period last year. The import trade was valued at US\$3.598 billion or a gain of 20.84 percent.

The export trade undertaken in Fujian maintained its upward trend mainly due to progressive growth year by year in exports by foreign funded enterprises. The spokesman said that the export trade by the foreign funded enterprises was valued at US\$3.525 billion in the first ten months of this year, making up 53 percent of the total export across the province. Considerable gain of export was also seen in other kinds of foreign trade enterprises and their export value was put at US\$3.125 billion or a rise of 50.4 percent when compared with the same period last year.

It is expected that Fujian will show a year-round export value of over US\$7.5 billion.

Huang He Water Diverted to Hebei Province

SK1411013494 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 10 Nov 94

[Summary] The project of diverting Huang He water to Hebei Province was completed on 10 November 1994

after nearly three years of construction. This 102-km-long project was built with more than 200 million yuan of investment provided by the state office for comprehensive agricultural development and the Ministry of Water Resources. Upon the completion of this project, 500 million cubic meters of water can be diverted to Hebei Province every year.

Jiangsu Official: Development Zones Thriving

OW1411083494 Beijing XINHUA in English 0820
GMT 14 Nov 94

[FBIS Transcribed Text] Nanjing, November 14 (XINHUA)—China's booming coastal province of Jiangsu now has over 60 large and medium-sized development zones, covering an area totaling 179 sq km, according to a local official.

Chen Jinghao, director of the provincial administrative office for opening to the outside, said that by the end of the first half of this year a total of 8,964 projects had been built in these development zones, 5,210 of them being operational and having a total industrial output value topping 18.3 billion yuan and exports of more than 1.07 billion U.S. dollars-worth.

Jiangsu was one of the first provinces in the country to build development zones attracting foreign investment. The first two zones, the Nantong and Lianyungang Coastal Economic and Technological Development Zones, were built in 1984.

The official said that the province has built six types of development zones: the Suzhou Industrial Garden, a Sino-Singapore experimental zone, regular economic and technological development zones, high-tech industrial development zones, tourism and resort zones, bonded zones and harbor development zones.

In the Suzhou High-Tech Industrial Development Zone more than 30 overseas transnational companies have set up a variety of industrial projects in the electronics, information, biology, health and medical care, new materials and other fields, according to the official.

He said that 11 projects were approved in the zone in the first six months of this year, each with an average overseas investment of 20 million U.S. dollars.

To create a better investment climate, the province has also tried to integrate the use of foreign funds and technology with the renovation of traditional ceramics. A batch of new porcelain products have been produced and sold abroad.

The province has seven tourism and resort zones, five of which have been built over the past two years, according to the official.

To date, he said, over 80 foreign-funded projects have been built in these zones, involving a total of 3.2 billion U.S. dollars in foreign investment. And a group of such

projects in the Suzhou Taihu Lake Tourism and Resort Zone have opened to domestic and foreign tourists.

In addition, the pace of construction of the province's bonded zones has also been quickened. So far, the infrastructure and service facilities of the Zhangjiagang Port Bonded Zone have been completed, with a 20,000-sq-m business center and a 30,000-sq-m warehouse.

Situated in the Chang Jiang River Valley, it is the only inland-port bonded zone in the country. At present, more than 200 foreign-financed projects have been approved for their establishment in the zone, with a total investment of 750 million yuan, including 320 million U.S. dollars in foreign funds.

Shandong To Execute Arsonist, Murderer

SK1411024594 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 11 Nov 94

[FBIS Translated Text] On the morning of 11 November, the Jinan city intermediate people's court held a meeting to hear publicly an extraordinarily serious case of arson and intentional murder that took place at the students' dormitory of the training center of the scientific and technological development industrial corporation under Shandong Traditional Chinese Medicine College on 30 October.

Through first rulings, the court sentenced, according to laws, arsonist and murderer (Zhang Zongming) to death, deprived him of lifelong political rights, and decided to execute him by shooting.

Huang Ju Addresses Foreign Entrepreneurs in Shanghai

OW1211131294 Shanghai People's Radio Network in
Mandarin 2300 GMT 7 Nov 94

[From the "990 Morning News" program]

[FBIS Translated Text] The sixth consultative meeting between the mayor of Shanghai and foreign entrepreneurs opened at the Huayuan Hotel on 7 November. The chairmen of boards of directors, presidents, and senior advisors of 25 large world-renowned corporations of 13 countries are attending the meeting upon invitation. Sterling [name as heard], chairman of the current consultative meeting and president and CEO of Continental [word indistinct] Corporation of the United States, delivered an ebullient opening speech. Huang Ju, member of the CPC Central Committee Political Bureau, secretary of the Shanghai Municipal CPC Committee, and mayor of Shanghai, also made a speech at the opening ceremony on the morning of 7 November. Huang Ju's speech was entitled: Shanghai as a new international economic center and city of manpower resources. His speech was warmly received by the audience.

The meeting, scheduled to last two days, will discuss two special topics—Shanghai's urban development, and the development of Shanghai's manpower resources. Present

at the 7 November meeting were municipal leaders Xu Kuangdi, Zhao Qizheng, Xia Keqiang, Jiang Yiren, Sha Lin; Wang Daohan, chairman of the Association for Relations Across the Taiwan Strait; and Lin Chun, senior advisor to Hong Kong branch of the XINHUA NEWS AGENCY.

Shanghai Mayor Stresses Human Resources

HK1411054094 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 13-19 Nov 94 p 4

[By Cao Yong: "Metropolis To Focus On Human Resources"]

[FBIS Transcribed Text] Shanghai will grow into a new international economic centre and an area rich in human resources. Shanghai Mayor Huang Ju told an advisory board.

Huang spoke at the opening ceremony of the sixth Meeting of International Business Leaders' Advisory Council for the Mayor of Shanghai (IBLAC) held recently in the city.

He noted that in facing the 21st century, the city has established a concept that "human resources are the first resource of the city."

According to requirements of the city's strategic development plan, Shanghai should be built into a base of personnel training and an area high in human resources that boasts qualified personnel from home and abroad.

To achieve this end, efforts will be made in deepening reform and expanding openness.

An open and standardized human resources market system should be built in the city and channels for international cooperation in the field will be widened, the mayor said.

The two-day sixth meeting of IBLAC was attended by 19 members from the United States, Europe, and Asia together with invited speakers and special guests.

Huang said Shanghai has achieved noticeable progress in economic development and urban construction so far this decade.

In 1992 and 1993, the growth of the gross product in the city hit 14.8 percent and 14.9 percent respectively.

This year, Shanghai's economic growth is expected to again reach 14 percent.

Starting this year, the growth of revenue has exceeded that of gross product in the city, the mayor said.

Investment in infrastructure engineering increased at an annual rate of 44.6 percent during the period between 1991 and 1993.

Huang said by leasing land-use rights and absorbing foreign investment, the old-town renovation, which would have originally required 100 years, could be completed within 10 years.

Along with industrial restructuring, the function of the city has been enhanced. With the completion of 11 national-level markets in the fields of securities, metal, cereals, and technology, Shanghai has gradually become an investment centre.

The mayor noted that along with the deepening of reform and widening of openness, Shanghai's competitiveness in the global economy has been greatly improved.

In the 1991-93 period, the foreign trade volume in the city surpassed the total foreign trade volume in the 30 years before China's opening.

Foreign investment in the city this year is expected to surpass \$10 billion.

In the meantime, the mayor said the development of Pudong has been accelerated.

Along with a transfer from basic development to functional development, the economic growth in Pudong is higher than the city's average.

Shanghai's Baoshan Iron, Steel Reports Record Output

OW1111091194 Beijing XINHUA in English 0826 GMT 11 Nov 94

[FBIS Transcribed Text] Shanghai, November 11 (XINHUA)—The Shanghai Baoshan Iron and Steel Complex, China's No. one complex of its kind, reported record output this year.

According to the latest statistics, the complex produced 5.87 million tons of steel in the first ten months of this year, the same figure for that period last year; and 5.56 million tons of iron, up 120,000 tons.

Its sales volume during this period amounted to 19.1 billion yuan, an increase of 1.1 billion yuan over the same period last year.

An official at the complex attributed the good results to the production of more high-quality and market-oriented products and a rearrangement of its export-oriented product structure.

At present, the complex is exporting products to 23 countries and regions, and its export volume this year is expected to increase by 50 percent over last year's.

Central-South Region

Governor Says Guangdong To Invest in Water Projects

OW1411103094 Beijing XINHUA in English 1012 GMT 14 Nov 94

[FBIS Transcribed Text] Guangzhou, November 14 (XINHUA)—The booming south China Province of

Guangdong will invest 24 billion yuan (about 2.75 billion U.S. dollars) in water-conservancy projects in the remainder of this century, Governor Zhu Senlin said here recently.

Zhu explained that the fund will be used to build eight large projects, led by the Feilaixia key water-conservancy project.

The governor urged officials at all levels to beef up their leadership in the drive to build more water-conservancy projects.

"Long-term planning is needed to govern our province's water-conservancy construction, and we must give as much priority to this sector as to the sectors of energy, transportation and telecommunications," Zhu said.

According to him, Guangdong will increase its input into this sphere and enhance supervision.

The governor called on related departments to review the province's water-conservancy plans, so as to bring them into line with its economic and social development strategy for the next 20 years.

He said the water-conservancy projects built in the past few years have played a significant role in promoting the local economy, while citing the successful battle against the exceptionally devastating floods in June and July this year.

Guangdong Secretary Inspects Zhu Jiang Delta

HK1111141994 Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 10 Nov 94

[FBIS Translated Text] If the Zhu Jiang Delta wants to take the lead in becoming a modernized economic zone, it must build a modernized enterprise system which can stimulate the productive forces. Xie Fei, member of the CPC Central Committee's Political Bureau and secretary of the provincial party committee, stressed this point when inspecting the Zhu Jiang Delta from 5 to 9 November.

On the morning of 5 November, Xie Fei attended a meeting of the planning, coordinating, and leading group in charge of the Zhu Jiang Delta Economic Zone's development. After the meeting, he went to Zhaoqing and Foshan Cities. Subsequently he inspected Sihui, Gaoyao, and Shunde Cities. On 9 November, he held a special forum on enterprise reform. Vice Governor Zhong Qiquan as well as leading comrades from Foshan, Zhongshan, Dongguan, Shunde, and Nanhai Cities also attended the forum. Leading comrades from the relevant cities briefed the participants on detailed methods of transforming enterprises' operational mechanism, the initial results of this transformation, and their future plans.

At the forum, Xie Fei pointed out: Enterprise reform in the Zhu Jiang delta must be aimed at establishing a modernized enterprise system. In establishing a modernized enterprise system in the Zhu Jiang Delta, the key is

to make a success of enterprise reform in this area so that these enterprises will move toward modernization and the international market. In carrying out enterprise reform in the Zhu Jiang Delta, high standards must be upheld along with strict demands; only in this way, will the reform correspond with the establishment of the socialist market economic structure and a modernized enterprise system.

Xie Fei stressed: Enterprise reform in the Zhu Jiang Delta must proceed from actual conditions with bold explorations. There is a need to persist in a diversified economy with public ownership as the main component. [passage indistinct] Public ownership must be carried out in light of specific conditions and constantly experimented with to improve it.

Shenzhen Offers 3-Day 'No Visa' Package Tour

OW1111082794 Beijing XINHUA in English 0809 GMT 11 Nov 94

[FBIS Transcribed Text] Shenzhen, November 11 (XINHUA)—The city government of Shenzhen, a special economic zone in Guangdong Province, has just passed a new regulation to give foreigners easier access to the city.

According to the regulation, starting November 1st, foreign visitors on a package tour to Shenzhen only need to have their passports stamped in Luohu, Huanggang and Shekou ports before entering Shenzhen from Hong Kong, and they can stay for up to 72 hours.

So far, the National Tourism Administration of China has granted six tourist services based in Hong Kong the right to organize such tours, 22 tourist services in Shenzhen the right to receive the foreign guests, and 15 hotels in Shenzhen the right to accommodate on such a tour.

Southwest Region

Guizhou Secretary on People's Congress Work

HK1211011094 Guiyang Guizhou People's Radio Network in Mandarin 2300 GMT 10 Nov 94

[FBIS Translated Excerpt] A provincial meeting on the work concerning the People's Congress opened in Guiyang yesterday morning. Chen Shineng, deputy secretary of the provincial party committee and governor, presided over the meeting. Present at the meeting were provincial party, government, and military leaders including Liu Fangren, Wang Chaowen, Long Zhiyi, Wang Siqi, Wang Guangxian, Hu Kehui, Yuan Ronggui, Wang Shouting, Xia Guohua, and Yu Zhonggui. [passage omitted]

The meeting was held by the provincial party committee to discuss the work concerning the people's congress, with the aim of further strengthening the formation of the province's socialist democratic and legal system, deepening reform, promoting sustained, rapid, and healthy economic development, and safeguarding social stability. Guided by

Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line, the meeting will focus on upholding and improving the people's congress system, sum up experience in this respect, explore the way forward, and blaze a new trail in the work concerning the people's congress.

Provincial CPC Secretary Liu Fangren made a speech entitled: "Improving Our Understanding, Strengthening Leadership, and Making Efforts To Blaze a New Trail in the Work Concerning the People's Congress."

Liu Fangren said: Since their establishment 15 years ago, people's congress standing committees at all levels in the province have, under the leadership of party committees at all levels, adhered to the party's basic line, centered on economic construction, performed the duties and rights entrusted by law, exercised legal supervision, formulated a number of local regulations, made decisions on major issues in their localities, and elected and appointed government functionaries according to law. [passage omitted]

Liu Fangren continued: The new situation has set new demands on the work concerning the people's congress. Therefore there is a need to further strengthen the work concerning the people's congress and to fully display the role of people's congresses at all levels and their standing committees. To achieve this end, the understanding of party members, cadres, and masses throughout the province on the people's congress system must be further improved. [passage omitted]

Sichuan Farmers See Increase in Income

OW1111121494 Beijing XINHUA in English 0922
GMT 11 Nov 94

[FBIS Transcribed Text] Chengdu, November 11 (XINHUA)—The cash income of farmers in southwest China's Sichuan Province increased this year despite a severe drought.

A sample survey showed that their income in the first nine months of this year averaged 669.29 yuan, an increase of 181 yuan over the same period last year. Farmers are expecting more income by the end of this year when they sell off their grain, cotton, pigs and fruit.

Last summer, Sichuan experienced a spell of drought rarely seen in 40 years, causing shortages of drinking water in some areas.

While fighting the disaster, farmers were encouraged to develop a diversified economy suited to the natural local conditions.

Many villages organized strong laborers to go to urban areas to contract for manual labour, set up industrial and commercial businesses, or expand the scope of animal breeding.

Tibet TV Announces Winter Conscription Rules

OW1311141494 Lhasa Tibet Television Network in
Mandarin 1200 GMT 9 Nov 94

[Announcer-read report: "1994 Winter Conscription Announcement by the Tibet Autonomous Region People's Government Conscription Office"; from the "Regional News Hookup" program]

[FBIS Translated Text] Tibet's winter conscription has started in accordance with the guidelines laid down by the State Council and the Central Military Commission on their decree for this winter's conscription. Here is the notice about conscription-related matters:

1. The conscription scope: All young people of the right age whose domiciles are in Tibet can register for conscription provided their conditions meet with conscription requirements. Young people of households engaged in agricultural production or animal husbandry should be at least primary school-educated, and young people of households which are not engaged in agricultural production or animal husbandry—including workers of enterprises and institutions—should be at least junior high school-educated. Conscription for young women is limited to those who are high school graduates. Children of officers of the armed forces and the armed police corps, if they meet the requirements, should register at the local conscription offices, bringing along with them references from regimental or higher-level units, as well as other documents needed by the local conscription offices.

2. Conscripts' age: The age for young men should be 18 to 20 in 1994; and if they are graduates of high schools of higher institutions, their age limit may be extended to 21. The age for young women should be 18 to 19 in 1994. This year's male or female high school graduates who are 17 years old may also register on a voluntary basis.

3. Conscription requirements: Conscripts' political requirements must meet those set by the Ministry of Public Security, the General Staff Headquarters, and the General Political Department in the Regulations for Conscripts' Political Requirements which they promulgated on 6 October 1990, as well as other relevant regulations. The conscripts' physical conditions must meet those set in the standards set by the Ministry of Defense 29 September 1991.

4. Conscription measures: Conscripts must register at places where their domiciles are located. They should be approved by the county or city conscription office to enlist after the local conscription offices have reviewed their political qualifications, checked their physical condition, tested their educational levels, and verified their other credentials.

5. The time and method of registration: Conscripts in all prefectures, cities, and counties should register for enlistment according to the time, locations, and methods set by conscription offices in various prefectures, cities, and

counties. The Lhasa Conscription Office will make a separate announcement for the registration time, locations, and method for conscripts in party and government organs; departments, bureaus, and committees; mass organizations; factories, mines, enterprises and institutions; organs affiliated to central authorities; and military units stationed in Lhasa.

6. Conduct of conscription officers: Conscription personnel must do their job ethically and guard against all conscription-related irregularities. Conscription officers must strictly abide by the rules—the 10 types of conduct which are prohibited and the eight areas of operation that should be conducted openly. All units, upon being notified by this notice, should immediately prepare themselves for the conscription.

North Region

Beijing Joins International Chamber of Commerce

OW0911025894 Beijing XINHUA in English 0251
GMT 9 Nov 94

[FBIS Transcribed Text] Paris, November 8 (XINHUA)—China has formally joined the International Chamber of Commerce (ICC), according to a communique issued by the council of the ICC today.

There will be 162 major enterprises forming ICC China, including the all China federation of industry and commerce, the Bank of China, the China International Trust and Investment Corp. (CITIC), the Industrial and Commercial Bank of China, China National Instruments, the Qingdao Brewery, the China Huanong Group, China National Petroleum and the Baoshan Iron and Steel Group.

The ICC Secretary General Jean-Charles Rouher said the entry of China into the ICC is "fresh proof of the progress of the liberalization of the Chinese economy, which is growing very fast, and the clear intention of Chinese enterprises to play a full part in the international trade system."

The ICC, which has 140 member countries worldwide, promotes the exchange of goods, capital, services and technology, as well as the market economy, free trade and free exchange.

Beijing Enacts Laws on Profiteering, Illegal Pricing

HK1411025694 Beijing ZHONGGUO XINWEN SHE
in English 0349 GMT 12 Nov 94

[FBIS Transcribed Text] Beijing, November 12 (CNS)—Beijing has recently enacted the regulations on prohibition of profiteering by illegal price-related practice in order to set up fair and reasonable market price order and to protect lawful rights and interests of customers.

The regulations stipulate that any adjustment on prices of those commodities or on service charges which are in

the range of the state's plan must abide by stipulation of the Municipal Price Administration. To those commodities and service items whose prices are open, the state-guided price and the ceiling of price should be resorted to in case of need.

The regulations make it clear that the following eight price-related practices are delimited as illegal practice: First, failure of marking prices of commodities or playing tricks with commodity price in order to cheat customers. Second, falsely offering big discounts in name of "clearance sale", "garage sale", "lowest prices" or "preferential prices" to deceive customers. Third, overcharging customers by various means in service sector such as doing shoddy work, using inferior materials, adulteration, or falsely reporting labour hour. Fourth, raising prices on the sly by short-measure. Fifth, selling commodities or providing service by coercion at a higher price in violation of principles of fair trade and respect to customers' wish. Sixth, monopoly of prices through unauthorized consultation between enterprises or guilds. Seventh, hoarding goods and making speculations to bump up prices. Eighth, other forms of illegal price-related practices.

According to the regulations, those found of illegal profiteering will be penalized with maximum fine of RMB 100,000 [renminbi].

Hebei Secretary, Governor on County Regional Economy

SK1311064394 Shijiazhuang Hebei People's Radio
Network in Mandarin 2300 GMT 10 Nov 94

[FBIS Translated Text] How should we make the people lead a comfortable life at an early date and build Hebei into an economically strong province by accelerating the development of the county regional economy? Qinghe and Fengnan counties have provided experiences for the province as a whole. From 9 to 10 November, in Qinghe county, the provincial party committee and the provincial government held the provincial on-the-spot experience-exchange meeting on accelerating the development of the county regional economy with the purpose of using Qinghe's experiences to promote the development of the county regional economy throughout the province.

Qinghe County neither stands by mountain, sea, railway, and [words indistinct], nor has sufficient special products and natural resources. Ten years ago, it was one of the 18 poverty-stricken counties in the province. After a decade of development, it has created a path of developing the county regional economy with its distinctive feature.

Cheng Weigao, secretary of the provincial party committee, pointed out: Qinghe's experiences can be used as reference by not only the counties with a relatively good foundation and conditions, but also by the counties with relatively a poor foundation and conditions. What are Qinghe's experiences? Cheng Weigao pointed out: Qinghe's experiences can be summarized from varying

angles. They can be basically summarized as the following four. First, Qinghe County has dared to uphold the principle that development is the essential criterion, has been brave and good at upholding this principle, and has firmly grasped this principle under any circumstance. The reason Qinghe's experiences are valuable is that it has always firmly upheld this principle under ordinary and smooth conditions or under difficult circumstances. Cheng Weigao said: China is now precisely in a period of rapid growth and is faced with sufficient and varied opportunities of development. The great demand on the international markets, the great potential of the domestic markets, the large-scale construction of state key projects, and the inflow of the enormous international investment have all provided extremely good opportunities for us to accelerate development. The key lies in the questions whether we can clearly catch sight of these development opportunities and whether we can successfully seize and utilize these development opportunities. If we fail to catch sight of and make good use of these opportunities, the principle that development is an essential criterion is nothing but empty talk.

Second, Qinghe County has persisted in emancipating the mind and seeking truth from facts. In developing the economy, it has persistently proceeded from realities, from the development conditions of respective localities, and from interests of the masses. Meanwhile, it has respected the aspirations of the masses and has guided the masses to develop the economy, thus creating the path of developing Qinghe in line with Qinghe's local conditions.

Third, as demanded by the market economy, Qinghe County has focused the transformation of government functions on developing and creating a good environment.

Fourth, Qinghe County has concentrated its energy on developing the economy and has strengthened party building and the building of the ranks of cadres closely around economic construction, thus bringing up a contingent of cadres who are competent at developing the economy.

In light of the new development goals offered by Qinghe County, Cheng Weigao pointed out: Qinghe's goals have enlightened us. That is, for the counties becoming relatively well-off next year, what is to be done? Cheng Weigao demanded: The counties with a relatively good foundation and good conditions should develop themselves in an even faster and better way in order to make new breakthroughs in the development of the economy and in the degree of prosperity.

Ye Liansong, governor of the province, pointed out in his speech: The county regional economy constitutes the foundation to build an economically strong province. To build an economically strong province, the foundation lies in counties, the potential lies in counties, and hope also lies in counties. Only with strong counties can we

have a strong province. In the light of the problems that Hebei's strong counties are not high in level, are weak in overall strength, are slow in development speed, and are uneven in development, Ye Liansong demanded: Various cities, prefectures, and counties must vigorously promote urban construction, accelerate the urbanization of rural areas, focus the overall rural work plan on making the people lead a comfortable life, actually strengthen leadership, and follow the path of each developing the economy with its respective characteristics. In addition, Ye Liansong urged for efforts to further enhance the sense of mission and the sense of urgency in seizing the opportunity, in working for major undertakings, and in striving for large progress in order to make the development of the province's county regional economy embark on a new stage.

Tianjin Secretary Addresses Cadre Training Class

*SK1411035994 Tianjin People's Radio in Mandarin
2300 GMT 11 Nov 94*

[FBIS Translated Text] The third training class for principal responsible cadres of departments, committees, offices, districts, counties, and bureaus to study documents of the fourth plenary session ended on 11 November. Gao Dezhan, secretary of the municipal party committee, addressed the closing ceremony. He pointed out: It is necessary to seize the current favorable opportunity, deeply implement the guidelines of the 14th Party Congress and the Third and Fourth Plenary Sessions of the 14th CPC Central Committee, and promote all fields of work centering on economic construction through strengthening and improving party building.

The rotational training class sponsored by the municipal party committee began on 24 October. Three classes had been held in succession, and 301 leading cadres participated in the study.

Li Jianguo, deputy secretary of the municipal party committee, Liu Fengyan and Zheng Zhiying, members of the standing committee of the municipal party committee, and Vice Mayors Wang Dehui and Zhu Liankang, attended the closing ceremony. Fang Fengyou, member of the standing committee of the municipal party committee, presided over the closing ceremony.

In his speech, Gao Dezhan pointed out: It is necessary to continue to attach prime importance to the party's ideological construction in line with the demand of the decision of the fourth plenary session, combine the study of the newly published first and second volumes of the *Selected Works of Deng Xiaoping* with that of the third volume, and comprehensively promote the development of the study of the theory on building socialism with Chinese characteristics in the municipality.

Gao Dezhan pointed out: It is necessary to act in close connection with the overall objective of party building, comprehensively implement the overall plans on party building, continue to attach prime importance to the

ideological construction of the party, continue to grasp the building of work style, and conduct the anticorruption struggle in an in-depth and sustained manner. Meanwhile, it is necessary to regard strengthening the party's organizational construction as a prominent aspect, place it in an important place, and grasp it with conscientious efforts.

Gao Dezhan stressed: We should consider successfully grasping party building as a motivation to promote the municipality's reform, opening up, economic construction, and all fields of work to a new height. The party organizations at all levels across the municipality, leading cadres at all levels, and the broad masses of party members should unite with and lead the broad masses of people to exert utmost efforts to do their own work well and to fulfill or overfulfill the various annual work objectives and tasks with a high sense of responsibility and awareness. At the same time, it is necessary to act in line with the central plans and the demands of the municipal party committee, and actively arrange and prepare for next year's work.

Gao Dezhan called on leading cadres at all levels to firmly cultivate the mass viewpoint, realistically show concern for the masses, do everything for the sake of the masses, and rely on the masses while doing their work, strive to do practical things for them, step up efforts to resolve the conspicuous issues which the masses are interested in, particularly the issues on the people's vegetable baskets and rice bags, and join in common and wholehearted efforts to help the masses eliminate misgivings and difficulties. Leading cadres at all levels should speak the truth, do practical things, seek actual results, do painstaking and meticulous work, and never practice formalism or do superficial work.

Northeast Region

Gansu Province Becomes Scientific Research Center

OW1311020494 Beijing XINHUA in English 0137
GMT 13 Nov 94

[FBIS Transcribed Text] Lanzhou, November 13 (XINHUA)—Gansu, an economically less developed northwestern province, has become a scientific research center in China in recent years.

The Jiuquan Satellite Launching Center in western Gansu, defense industry enterprises, the Institute of Modern Physics in this capital of the province and other institutions have contributed a lot to satellite-launching and missile-manufacturing.

China has launched some foreign satellites and its missile-producing technology is among the best in the world.

The institute of modern physics in Lanzhou has done world-class research in finding new nuclides.

Gansu's Institute of Geology, Institute of Glaciology and Cryopedology and Institute of Desert Studies under the Chinese Academy of Sciences have jointly explored for oil and gas, inspected glaciers and prevented the spread of deserts.

They have won international recognition for exploring for oil and gas resources in the Tarim Basin in northwest China's Xinjiang Uygur Autonomous Region, and clarifying the relations between the environment on the Qinghai-Tibet plateau and the global climatic evolution.

Gansu has paid attention to developing agriculture and water conservancy for many years.

Skills have been sharpened in improving wheat output in cold climates and arid land.

Gansu leads China in utilizing foreign loans and technology to cut a trunk canal in a project to divert water from the Datong River to the Qinhua River in central Gansu.

The metallurgy industry in Gansu, headed by the Jinchuan Nonferrous Metals Company and Baiyin Nonferrous Metals Company, and in cooperation with scientific research institutions and universities, has recorded breakthroughs in smelting and extracting techniques.

Gansu has also fostered skilled technicians for China's petrochemicals industry.

In almost every petrochemical plant in China there are people who have worked in or been trained by Gansu's petrochemicals industry.

Besides, Lanzhou was the first production base of deep-hole drills in China.

'High-Yielding' Oil Well in Xinjiang's Tarim Basin

OW1311031394 Beijing XINHUA in English 0253
GMT 13 Nov 94

[FBIS Transcribed Text] Beijing, November 13 (XINHUA)—A high-yielding oil well with daily output of 107.44 cubic meters of crude oil and 18,332 cubic meters of natural gas has recently been drilled in Tarim Basin in the Xinjiang Uygur Autonomous Region in northwest China.

The well, located in Bachu County of Kashi Prefecture, is the second of the kind dug in Tarim.

Experts held that the successful drilling of such high-yielding oil well is of great importance to the oil exploration and development in the depression areas of the basin.

The well is dug by the North China Petroleum and Geological Bureau.

**Xinjiang People's Congress To Meet, Notes
Agenda**

*OW1211120394 Urumqi Xinjiang Television Network
in Mandarin 1330 GMT 11 Nov 94*

[Announcer-read report from the "Xinjiang News" program]

[FBIS Translated Text] From 14-19 November, the 11th meeting of the Eighth Standing Committee of the Xinjiang Uygur Autonomous Regional People's Congress will be held in Urumqi.

The suggested agenda for the meeting is as follows:

1. Study the CPC Central Committee's Decision on Several Important Issues Concerning Strengthening Party Building and documents of the Seventh Enlarged Plenary Session of the Fourth Xinjiang Uygur Autonomous Regional CPC Committee;
2. Discuss the draft amendments to the Xinjiang Uygur Autonomous Region's procedures for the implementation of the Law Protecting Women's Rights and Interests;
3. Discuss the draft amendments to the Xinjiang Uygur Autonomous Regional Regulations on the Supervision of Product Quality;
4. Discuss the draft amendments to the Xinjiang Uygur Autonomous Regional Procedures for the Implementation of the Law on Protecting the Rights and Interests of Returned Overseas Chinese and Relatives of Chinese Nationals Living Abroad;
5. Discuss the draft Xinjiang Uygur Autonomous region's regulations on the supervision work by people's congresses at various levels;
6. Discuss the draft work regulations for local work committees under the Xinjiang Uygur Autonomous Regional People's Congress;
7. Discuss the draft Xinjiang Uygur Autonomous Region's regulations on work of township, ethnic township, and town people's congresses;
8. Discuss the draft Xinjiang Uygur Autonomous Region's regulations governing mineral resources;
9. Discuss the draft Xinjiang Uygur Autonomous Region's procedures for the implementation of the Agricultural Technology Popularization Law;
10. Examine and approve the Urumqi City rules governing Muslim foodstuff;
11. Examine and approve the Urumqi City rules on the conscription, preferential treatment, demobilization, and resettlement of compulsory servicemen;
12. Hear and discuss a report by the Xinjiang Uygur Autonomous Regional People's Government on the situation of developing secondary and tertiary industries, mainly village and town enterprises, in rural areas;
13. Hear and discuss a Xinjiang Uygur Autonomous Regional People's Government report on the cultural work situation in rural areas;
14. Hear reports, which reveal relevant figures, by Chen Jinchi, Xinjiang Public Security Department director, Agriculture Department Director (Sunfumaiti Aisan), and (Wang Lusheng), Light Industry Department director;
15. Hear and examine a report by the Credentials Committee under the Eighth Standing Committee of the Xinjiang Uygur Autonomous Regional People's Congress on appraisal of newly elected deputies' credentials;
16. Hear a report by the Xinjiang Uygur Autonomous Regional People's Congress Standing Committee's inspection team on the enforcement of the Law on Regional Autonomy of Minority Nationalities;
17. Personnel appointments and dismissals; and others.

Qian Qichen on Taiwan, 'Inevitable' Military Option

OW1211163394 Beijing XINHUA in English 1500 GMT 12 Nov 94

[FBIS Transcribed Text]—Jakarta, November 12 (XINHUA)—Chinese Foreign Minister Qian Qichen reiterated here today that Hong Kong and Chinese Taipei had joined the Asia-Pacific Economic Cooperation (APEC) forum as "regional economies."

At a joint press conference of APEC ministers, he closed their sixth meeting today. Qian said that when the People's Republic of China Hong Kong and Chinese Taipei joined APEC in 1991 only China was accepted as a sovereign state [sentence as received].

He said that Hong Kong and Chinese Taipei can only send economic representatives to the APEC meetings.

The format had been fixed last year when APEC leaders met in Seattle, the United States, he said.

Qian said that China has always been upholding a peaceful reunification of the country.

"However, the military option would be inevitable if Taiwan declares independence or if an external force invaded Taiwan he said.

Mainland Officials at Cross-Strait Trade Seminar

OW1311141594 Beijing Central People's Radio in Mandarin to Taiwan 2200 GMT 11 Nov 94

[From the "News and Current Events" program]

[FBIS Translated Text] Two officials of the Ministry of Foreign Trade and Economic Cooperation [MOFTEC] noted in Beijing on 11 November that economic and trade circles across the strait should work together to solve problems in cross-strait economic and trade relations.

Over 100 people from economic and trade circles on the two sides of the strait attended a seminar on routine affairs in cross-strait economic relations and trade in Beijing on 11 November.

An Min, director of MOFTEC's Department of Taiwan, Hong Kong, and Macao Affairs and Deputy Director (Wang Hui) urged economic and trade circles across the strait to tackle problems arising from cross-strait economic cooperation and trade with good faith and the best intentions; they should refrain from spreading rumors that distort the truth or create mistrust.

An Min said: Some people in Taiwan—in discussions on tactics for trade and economic relations with the mainland—called for enlisting the cooperation of other countries to bring about changes in the mainland's political system. Some people said that one will regret it for the rest of his life if he does not invest in the mainland—he will also regret it for the rest of his life if he does. All

these remarks were designed to spread a sentiment of hostility, distortion, and mistrust. An Min noted: A trade imbalance exists between the two sides of the strait. The right approach to this problem is to face it squarely with good faith and good intentions. It is wrong to create mistrust or sidestep the issue.

Deputy Director (Wang Hui) pointed out at the seminar that the cross-strait trade volume stood at \$14.4 billion in 1993, with a trade deficit about \$11.5 billion on the mainland side. Some people in Taiwan asserted that there must be some united front scheme behind the mainland's ready tolerance of such a huge deficit. (Wang Hui) said: Such a view is ludicrous. The main reason for the cross-strait trade imbalance lies in the unreasonable restrictions Taiwan has imposed on mainland products. It wouldn't be hard to find out where the problem lies if we could deal it strictly as a trade issue. There is no point in making wild guesses to divert the people's attention.

MOFTEC Official Criticizes Taiwan Trade Imbalance

HK1211053694 Beijing ZHONGGUO XINWEN SHE in English 1412 GMT 11 Nov 94

[FBIS Transcribed Text] Beijing, November 11 (CNS)—The Mainland has long seen a great unfavorable balance of indirect trade with Taiwan. Talking on this problem, Mr. Wang Hui, deputy director of Taiwan, Hong Kong and Macao Department of the Ministry of Foreign Trade and Economic Cooperation, said this situation was unfair and couldn't last long.

According to statistics of the Chinese Customs, the Mainland had a US\$11.5 billion unfavorable balance of trade with Taiwan last year, accounting for 96 percent of Mainland's total value of the unfavorable balance of foreign trade in the year.

Mr. Wang said the long-term great unfavorable balance of trade of the Mainland with Taiwan was a result of abnormal economic and trade relations existing on the two sides between the Taiwan Straits. For a long time the Taiwan side had posed unreasonable restrictions on imports of the Mainland products, leading to most products exported to Taiwan from the Mainland being low value-added ones. On the other hand, the Taiwan side had not yet canceled its restrictions on investment in the Mainland by Taiwan's raw material industry, resulting in that a number of Taiwan-funded enterprises in the Mainland had to rely on raw materials and spare parts supplied by those enterprises in Taiwan. He believed that if the Taiwan side canceled these unreasonable restrictions, allowing import of the Mainland products to and investment in Taiwan by the Mainland enterprises, allowing the Mainland economic and trade staff to do business in Taiwan and more Taiwan enterprises to invest in the Mainland, the abovementioned unfavored balance situation would change a lot.

Mr. Wang said the reason for the Mainland's great unfavorable trade balance was not a political factor but

mainly caused by Taiwan and foreign investment as well as the Mainland's open policy. The Taiwan side shifted its favorable trade balance with European countries and America to be an unfavored one of the Mainland, thus

increasing the Mainland's trade friction with these countries. This kind of trade relations between the two sides across the Taiwan Straits, therefore, was unfair and could not last long.

Taipei To Continue Active APEC Participation

APEC 'Channel' Toward Regional Ties

OW1411084294 Taipei CNA in English 0821 GMT
14 Nov 94

[By Danielle Yang]

[FBIS Transcribed Text] Taipei, Nov. 14 (CNA)—The Republic of China [ROC] will continue to actively participate in Asia-Pacific Economic Cooperation (APEC) activities despite the government's dissatisfaction with this year's APEC summit, Vice Economics Minister Fang Chin-yen said Monday [14 November].

Reporting on the ROC's relationship with APEC member countries at the Legislative Yuan, Fang said APEC is one of the important international organizations which includes both the ROC and Mainland China. It is also an important channel for the ROC to explore ties with countries in the region, he said.

Since the ROC withdrew from the United Nations in 1971, Fang said, APEC has become the ROC's most important regional organization. He added that membership in APEC is significant for Taiwan's bid to join the UN and the General Agreement on Tariffs and Trade.

After the ROC learned that the United States was going to host the first APEC summit last year, Taipei worked to join the meeting, Fang said.

However, President Li Teng-hui was still unable to participate in the summit, Fang said. The ROC was instead represented by Chairman Hsiao Wan-chang of the Council for Economic Planning and Development.

Indonesia, which is hosting this year's APEC summit, again bowed to Beijing's pressure and refused to allow President Li to visit. And the ROC again reluctantly agreed to send Hsiao.

Fang stressed that under Beijing's pressure, the ROC must take full advantage of APEC's important international channel to fight for more diplomatic room.

APEC has become an important political forum and because the ROC cannot formally participate in the organization, it must step up substantive participation to gain respect from member countries, Fang added.

Meanwhile, commenting on foreign wire service reports that Japan will not invite Li to attend the 1995 APEC summit in Osaka, Fang said both Taipei and Beijing are APEC economies and enjoy equal status.

The ROC Government will never accept Beijing's pressure on Japan to obstruct Li's attendance, he said.

Hsiao Represents Li at APEC To Avoid Diplomatic 'Rift'

OW1211151194 Taipei CNA in English 1419 GMT
12 Nov 94

[By C.C. Lung and Lilian Wu]

[FBIS Transcribed Text] Jakarta, Nov. 12 (CNA)—Vincent Hsiao, chairman of the Council for Economic Planning and Development said Saturday [12 November] that because all Asia-Pacific Economic Cooperation Forum members participate in APEC meetings on equal footing, it is important for them to talk about the issue of sovereignty.

Hsiao was commenting on the remark made earlier in the day at the APEC ministerial-level meeting by Mainland Chinese Foreign Minister Qian Qichen that when Mainland China, Taiwan and Hong Kong became APEC members in 1991, it was agreed that Taiwan and Hong Kong could only send economic officials to APEC meetings. Taiwan argues that it should be able to send ROC [Republic of China] President Li Teng-hui to APEC leaders meetings like the one being held Tuesday in Bogor.

Qian stressed that at the inaugural leaders' summit in Seattle last year, Taiwan also sent economic officials in place of Li.

Hsiao, however, said that when APEC was formed, the basic idea was that it would be a regional economic organization, with every member participating as an economic entity. He said the discussion of sovereignty is beside the point, and that it was improper to discuss the issue of cross-Taiwan Strait issues at the APEC ministerial meeting, which ended Saturday.

Hsiao said he has expressed on numerous occasions his discontent and regret that President Li Teng-hui is not able to participate at the Bogor meeting.

Meanwhile, ranking foreign affairs officials in Taipei also turned aside Qian's comments, saying the government had never reached any agreement with Beijing on President Li's participation in APEC meetings.

The officials pointed out that it has been Mainland China's "stifling efforts and intimidation" that have prevented Li from attending the meetings.

They said that the government could not possibly have reached any agreement with Mainland China concerning the leaders' meetings when it joined the regional group in 1991.

They said Li had wanted to attend Tuesday's leaders' meeting, but was forced to send Hsiao as his envoy so as not to disrupt the meeting and cause a diplomatic rift between Indonesia and Mainland China.

APEC groups Taiwan, Mainland China, Hong Kong, the United States, Canada, Australia, New Zealand, Japan, South Korea, Mexico, Papua New Guinea, Singapore, the Philippines, Malaysia, Indonesia, Thailand, Japan, Brunei and Chile.

Officials Meet With Leaders

OW1411091794 Taipei CNA in English 0843 GMT
14 Nov 94

[By C.C. Lung and Lilian Wu]

[FBIS Transcribed Text] Jakarta, Nov. 14 (CNA)—Hsiao Wan-chang, chairman of Republic of China's Council for Economic Planning and Development, spent Monday [14 November] meeting with leaders taking part in the Asia-Pacific Economic Cooperation Forum (APEC) leaders' meeting scheduled to open in Indonesia Tuesday.

Hsiao met with Julius Chan, [deputy] prime minister of Papua New Guinea, Monday morning. Although Papua New Guinea does not maintain diplomatic ties with the Republic of China [ROC], the nation has been friendly to the ROC.

Hsiao then had lunch with United States Trade Representative Mickey Kantor. They discussed Taiwan's bid for membership in the General Agreement on Tariffs and Trade (GATT) and the U.S. trade sanctions imposed on Taiwan for its alleged failure to protect wildlife.

Hsiao is scheduled to meet Singaporean Prime Minister Goh Chok Tong in the afternoon. He will also meet with Raymond Chan, Canada's secretary of state for the Asia-Pacific to discuss trade and issues concerning Taiwan's GATT bid.

Hsiao called on Indonesian President Suharto Sunday. During their 20-minute meeting, Hsiao also delivered a letter from President Li Teng-hui to Suharto.

Hsiao, accorded the same treatment as a national leader, arrived at the Presidential Office with his motorcade in the afternoon.

Hsiao said that both sides exchanged views on the 2020 timetable for free trade. Hsiao said that the ROC supported the principle of free trade, but would have to discuss with other nations about the definition of free trade and its enforcement.

Suharto said that he was interested in the healthy development of small- and medium-sized enterprises as discussed during the APEC ministerial-level meeting last week. He also said that he was glad many major Taiwan-Indonesia joint ventures are already in progress.

Meanwhile, P.K. Chiang, ROC's economic affairs minister and deputy leader of the Taiwan delegation to the APEC meeting, met with Mexican trade minister [title as received] Jaime Serra Puche Sunday to exchange views on Taiwan's bid to enter GATT.

Serra Puche said that Mexico's trade deficit with Taiwan has increased as both nations expand their trade ties. He expressed the hope that Taiwan would open its market wider, especially the auto market, to help narrow down the growing trade deficit.

Chiang asked Mexico to submit a tariff concession list on industrial and agricultural products soon. Serra Puche said that he would take the issues back home and would reply by Dec. 1.

Chiang also met with Australian Foreign Minister Gareth Evans Sunday morning to discuss bilateral trade ties. Evans expressed the hope that Taiwan would increase investment in his country. He said that the highly skilled workers in Australia would be beneficial to Taiwan investors.

Taipei To Continue GATT Tariff Talks in Geneva

OW1211075494 Taipei CNA in English 0741 GMT
12 Nov 94

[By Maurus Yang and Y.C. Tsai]

[FBIS Transcribed Text] Geneva, Nov. 11 (CNA)—Taiwan delegates Friday [11 November] met with their counterparts from Argentina and Hong Kong in bilateral tariff concession consultations related to Taiwan's entry into the General Agreement on Tariffs and Trade (GATT).

Chen Wu-hsiung, director of the Economics and Planning Department under the Council of Agriculture, represented Taiwan at agricultural talks with the two GATT contracting parties.

Argentina was very concerned about Taiwan's tariffs on squid, beef, peanut and garlic imports, while Hong Kong asked Taiwan to lower import duties on eel, leather and pork oil, Chen said.

Fu Tung-cheng, executive secretary of Taiwan's Council for Economic Planning and Development, discussed financial service adjustments with Hong Kong delegates.

Hong Kong asked Taiwan to further relax restrictions on the establishment of branch offices by foreign banks and insurance companies, Fu pointed out.

In addition, he said, Hong Kong requested Taiwan to raise the ceiling on foreign ownership of listed companies, which is currently set at 10 percent.

Noting foreign insurers are welcome to do reinsurance business in Taiwan, he said the Taipei government is working on plans to raise the maximum foreign stake in a listed company to 50 percent.

Taiwan delegates, who met with representatives from 12 GATT members this week, will begin another series of talks on Monday with the United States, the European Union, Singapore, New Zealand and Australia following a two-day weekend recess.

A total of 25 GATT signatories have asked for such negotiations with Taiwan, which now holds observer status at the world trade regulatory body and hopes to become a full member by the year's end or early next year.

Meanwhile, a report by the journal of commerce said that with talks close to completion on Taiwan's accession to GATT, envoys from rich and poor nations alike have

effectively agreed to delay a new round so that rival Mainland China may catch up in its own entry discussion.

A GATT working party on Taiwan was scheduled to meet Oct. 24-25 but has tentatively rescheduled the meeting for Nov. 22-24.

"Nobody wants to upset China, and every effort is being made to synchronize the two sets of talks," the Journal of Commerce quoted an anonymous envoy from a major trading power as saying.

Taiwan applied to join GATT in 1990, but its application was held up by grumbling from Mainland China. Since 1986, the mainland has been engaged in talks to return to GATT and did not want to be upstaged by Taiwan.

The paper said that under a formula established in 1992 by GATT signatories, the entry of the two parties would occur at the same time, but Beijing would undergo accession formalities before Taipei.

"The formula is still active," the paper stressed.

MAC Chairman: Time Not 'Ripe' for Cross-Strait Summit

OW1111083494 Taipei CNA in English 0816 GMT
11 Nov 94

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, Nov. 11 (CNA)—The time is not yet ripe for the top leaders from both sides of the Taiwan Strait to meet because Mainland Chinese authorities still refuse to treat Taiwan as an equal, a senior mainland affairs official said Friday [11 November].

Huang Kun-hui, chairman of the Mainland Affairs Council [MAC], was commenting on a statement made by Mainland Chinese President Jiang Zemin [spelling as received] Thursday in Singapore that he is willing to meet with Republic of China [ROC] President Li Teng-hui, but not in an international setting.

For the moment, Huang said, it is more natural and suitable for Li and Jiang to meet at an international conference or gathering than to arrange a special meeting for them.

"I believe both sides will benefit if the respective leaders can first meet in an international setting to discuss multilateral affairs," Huang said, adding that the two sides can foster good will and mutual trust through such rendezvous to pave the way for future bilateral meetings.

Huang further pointed out that a cross-strait summit will remain a pipe dream as long as Beijing maintains its "bully" mentality toward Taiwan and continues to block Taiwan's movements on the world stage.

Meanwhile, a Presidential Office spokesman confirmed Friday that president Li had said in his recent interview with Japan's YOMIURI SHIMBUN that if Taiwan manages to host the 2002 Asian games, the Mainland Chinese president is welcome to attend the games' opening ceremony.

"The Asian games are a regional event and can be a suitable occasion for top Taipei and Beijing leaders to meet," said Raymond Tai, deputy secretary-general to the president.

Due to Beijing's boycott, Li was unable to attend the 1994 Asian games opening held in Hiroshima, southern Japan in early October.

Island's Trade Deficit With Europe Grows

OW1411091394 Taipei CNA in English 0824 GMT
14 Nov 94

[By Danielle Yang]

[FBIS Transcribed Text] Taipei, Nov. 14 (CNA)—Europe is expected to add to Taiwan's trade deficit as imports from the region continue to grow and Taiwan exports lose competitiveness, Board of Foreign Trade [BOFT] officials warned Monday [14 November].

Taiwan imported U.S.\$13 billion worth of goods from Europe during the first ten months of this year, while exports hit US\$10.44 billion, leaving a deficit of US\$2.564 billion, the officials said. The deficit is 3.5 times greater than a similar period of last year.

In October alone, Taiwan's trade deficit with Europe reached US\$205 million. Taiwan still registered US\$27 million trade surplus in October 1993, the officials said.

BOFT attributed the growing trade deficit with Europe to the loss of competitiveness of made-in-Taiwan products on the European market and growing economic integration in Europe which has boosted inter-European trade.

Taipei's Foreign Reserves Hit Record High

OW1411091094 Taipei CNA in English 0814 GMT
14 Nov 94

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, Nov. 14 (CNA)—Taiwan's foreign exchange reserves hit a record high of US\$91 billion at the end of September, according to a preliminary report by the Central Bank of China (CBC) released Monday [14 November].

The central bank attributed the country's increased forex holdings to the appreciation of the Japanese yen and major European currencies against the U.S. dollar, as well as the continued influx of foreign capital into the domestic stock market.

The new high gives Taiwan the second largest forex holdings in the world, second only to Japan.

The CBC is expected to release the exact amount of September forex holdings on Tuesday.

Taiwan's forex reserves hit a record high of US\$90.98 billion at the end of August, fueled by upturns in exports and an inflow of "hot money" to the stock market beginning in June, according to CBC officials.

Meanwhile, the CBC is expected to post a US\$2.2 billion current accounts surplus in the third quarter, according to preliminary statistics released by CBC's economic research department.

Taiwan's third-quarter international balance of payments is expected to exceed first and second quarter statistics because of expanded export trade, a CBC economics researcher said.

In addition, Taiwan's expanded domestic economy and December elections have spurred growth in the money supply, which is expected to hit a record high by the end of the year.

Taiwan's money in circulation averaged NT [new Taiwan] \$641.73 billion in the first 10 months of this year, recording an annual growth rate of 11.77 percent. This was the second highest in growth rate in five years, the official said.

Boats Urged To Hire Overseas Chinese To Meet Shortage

*OW0711094094 Taipei CNA in English 0701 GMT
7 Nov 94*

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, Nov. 7 (CNA)—The Mainland Affairs Council (MAC) Monday [7 November] suggested that Taiwan fishing boats turn to Southeast Asia rather than Mainland China when seeking workers to tackle their labor shortage problems.

MAC officials said Taiwan fishing boats are encouraged to hire Overseas Chinese from Southeast Asian nations as crewmembers on vessels operating in coastal and offshore areas.

Currently, Taiwan only allows Mainland Chinese seamen on its ocean-going vessels. Japan and South Korea have a similar policy.

MAC discourages Taiwan fishing boats from hiring mainland seamen to work on coastal or offshore vessels for reasons of national security, the officials said.

Island '2d Largest' Asian Investor in China

*OW1111090094 Taipei CNA in English 0737 GMT
11 Nov 94*

[By Danielle Yang]

[FBIS Transcribed Text] Taipei, Nov. 11 (CNA)—Taiwan ranked second among the four Asian dragons in terms of investment and approved investment cases in Mainland China during the first half of this year, a Board of Foreign Trade (BOFT) official said Friday [11 November].

Taiwan's real investment in Mainland China reached US\$1.453 billion during the period, next to Hong Kong's US\$9.564 billion but ahead South Korea's US\$401 million and Singapore's US\$387 million, the official said.

Taiwan's and Hong Kong's real investment on mainland represented a growth of 56.8 percent and 88.8 percent respectively.

In terms of committed investment, Taiwan has invested US\$2.546 billion in the mainland, behind Hong Kong's US\$25.243 billion but ahead of Singapore's US\$1.972 billion and South Korea's US\$789 million.

Taiwan's and Hong Kong's committed investment during the period was down 45.1 percent and 26.3 percent respectively.

On approved investment cases in Mainland China during the six-month period, Hong Kong led the Asian dragons with 13,884, a decline of 39.9 percent. Taiwan ranked second with 3,218 cases, a decline of 34.2 percent, the official said.

South Korea led the four in terms of real and committed investment growth and the growth of approved investment cases with 299 percent, 65.2 percent, and 25.1 percent respectively.

The official said Mainland China has become South Korea's third largest export area since Seoul established formal ties with Beijing in 1992. The establishment of relations has also allowed South Korea more room for investment growth, he added.

Ministry Commission: Crude Imports Decline Jan-Sep

*OW1311063394 Taipei Voice of Free China in English
0200 GMT 11 Nov 94*

[FBIS Transcribed Text] The Energy Commission under the Ministry of Economic Affairs said that in the first nine months of the year, the country imported a total of 129.91 million barrels of crude oil and that the Middle East remains the largest supplier, accounting for 74 percent of ROC's oil imports.

The commission said that the 129.91 million-barrel figure saw a decrease of 5.57 percent compared with that recorded during the corresponding period last year. Major suppliers are Saudi Arabia, which supplied 33 percent of the oil; Indonesia, 11 percent; Iran, 11 percent; Oman, 10 percent; and Kuwait, 9 percent. Energy consumption during the same period increased 5.45

percent, and the largest consumers are industries, transportation services, and households. Electricity consumption in the country increased 7.12 percent during the same period. Consumption of households and business sectors grew the fastest, at 8.74 percent and 12.45 percent, respectively.

Missiles 'Secretly' Deployed on Offshore Island

OW1311131994 Taipei CHUNG-KUO SHIH-PAO in Chinese 3 Nov 94 p 3

[By reporter Lu Chao-lung (0712 2507 7127)]

[FBIS Translated Text] Taipei—According to authoritative military sources, under the tactical concept of "controlling the sea from the land," the Republic of China's [ROC] national Armed Forces will deploy land-based "Hsiung-feng II" missiles on the offshore island of Tung Yin; and since the "Hsiung-feng II" can attack land targets as well as ships at sea and its range covers military installations in Fukien [Fujian] Province, the deployment of the missile on Tung Yin will have strategic deterring significance. What countermeasures the Chinese communists will take remain to be seen.

According to the sources, the land-based "Hsiung-feng II" missile has a range of about 170 km, and Fukien's coastal areas are within its range since Tung Yin is only 50 km or so from the mainland. The sources added that while the construction of a missile base for the land-based missiles is secretly underway, the timetable for the actual deployment is highly classified.

The sources said that the military authorities' decision to deploy the land-based missile has something to do with the Chinese Communists' deployment of their land-to-land "M-class" missiles. They said that there are two models of the "M-class" missiles—the M-9 model, which has a range of about 600 kms; and the M-11 model which has a range of 300 kms, and Taiwan is within reach of both. Although the range of the land-based "Hsiung-feng II" is shorter than the "M-class" missiles, Taiwan will be able to launch a counterattack should it be attacked by them since "Hsiung-feng II" missiles are also able to attack land targets.

The sources said that the idea of deploying "Hsiung-feng II" missiles on Tung Yin is based on two considerations. First, the consideration of "controlling the sea from the land." Tung Yin is about 170 kms away from Taiwan, and all Chinese Communists' ships operating in the Taiwan Strait are within the range of its missiles. Second, if the Taiwan Strait's security were threatened or if Taiwan itself were under a Chinese Communist missile attack, Taiwan can launch a counterattack with "Hsiung-feng II" missiles on Tung Yin. Thus, the military authorities' decision to deploy the "Hsiung-feng II" on Tung Yin can be described as a "strategically defensive but tactically offensive act."

While the Ministry of Defense and the Chinese Science Academy have never publicized any information about

the "Hsiung-feng II" missile's capabilities, ROC naval vessels, such as the navy's "Cheng Kung" ships, are already equipped with one model of the missile. Moreover, the development of "Skysword II" missile for the air force has also been completed and the General Staff Headquarters once considered equipping the A3 attack planes with the missile. When the deployment of the "Hsiung-feng II" is completed, the missile will be used by the ground, naval, and air forces.

According to the sources, the deployment of "Hsiung-feng II" on Tung Yin will be a sensitive issue because it will be the first "offensive" missile the national armed forces will ever deploy on an offshore island.

Since the deployment of the missile is highly classified, the military authorities—including Army Headquarters, the Chinese Science Academy, and the Ministry of National Defense—have declined to comment. Senior military officers have indicated that they would deny the deployment should it be reported by the media.

Meanwhile, when asked about the deployment of the offensive "Hsiung-feng II" missiles on Tung Yin, Defense Minister Sun Chen said he had "no comment."

Governor Candidates Given 15-Minute TV Slot

HK1411070494 Hong Kong SOUTH CHINA MORNING POST in English 14 Nov 94 p 8

[By Dennis Engbarth in Taipei]

[FBIS Transcribed Text] Incumbent James Soong of the ruling Kuomintang (KMT) yesterday bore the brunt of criticism in the island's first televised presentation of speeches by candidates for the Taiwan governorship.

In the first public campaign broadcast by the official Central Election Commission, each of the five candidates was allowed 15 minutes to present his political views.

Mr Soong related his accomplishments since his appointment by President Li Teng-hui on March 20 last year.

These included updating road signs on all provincial highways and offering subsidies to bamboo-shoot growers hit by over-production.

Mr Soong cited his "fine relations" with Mr Li and premier Lien Chan and promised to fulfil the policies of the central Government.

He acknowledged the Kuomintang, the ruling party for the past four decades, had to re-evaluate many of its policies.

But, Mr Soong said, "if some people want to withdraw from Quemoy or Matsu, clear blue skies will turn red."

Legislator Chen Tingnan, the Democratic Progressive Party (DPP) standard-bearer, launched his speech by asking: "Who is really turning Taiwan's blue skies red?"

"The Kuomintang's advocacy of unification simply provides the Chinese Communists with a legal pretext to invade Taiwan," he said.

Mr Chen also blasted the ruling party for "official corruption, improper links with big business, and tolerance of organised criminal gangs".

He said efforts by the Tangwai opposition and the DPP had led to democratic reform and said attention should now be paid to revitalising government administration.

"One year of Kuomintang [KMT] rule of the provincial government costs at least NT\$60 billion (HK\$17.7 billion) in corruption but they say there's no funds for the NT\$12 billion for senior citizens' pensions," he said.

Mr Chen said he would launch a "new government movement" to turn the Taiwan Provincial Government into a clean, effective, and high quality administration.

New Party candidate Ju Gaojeng focused his criticism on Mr Soong and the president, saying, "Li has power but no responsibility and is just acting like an emperor".

Mr Ju, also declared his desire "to wipe out the shame felt by Chinese since the Opium War and let the Chinese people stand up".

After the broadcast, Professor Lin Chia-cheng of Soochow University's sociology department analysed the candidates' performances.

"Given the KMT's domination of the electronic media, the opposition candidates gained by having a chance to systematically put forward their views," he said.

Professor Lin noted Mr Soong had received extensive coverage from the island's three main television channels since his appointment and therefore "there wasn't much new in what he said".

Kaoshiung Mayoral Candidates Debate on TV *OW1411023794*

[Editorial Report] Taipei China Broadcasting Corporation News Network in Mandarin at 2300 GMT on 30 October 1994, reported on a 140-minute long televised debate between Wu Tun-yi, Chang Chun-hsiung, and Tang A-ken, candidates of the Kuomintang (KMT), the Democratic Progressive Party (DPP), and the New Party (NP) respectively for Kaohsiung city's mayoral elections, held at the Sun Yat-sen Memorial Hall of Chung Shan University in Kaohsiung at 1410 local time on 30 October. University of Wisconsin Professor Tien Hung-mao moderated the debate. Chang Chun-hsiung (DPP) stressed his ambition for and "confidence in Taiwan's democratic reform" and political reform, Tang A-ken (NP) stressed his "love for Kaohsiung" and the "course of development of Kaohsiung's urban construction,"

and Wu Tun-yi (KMT) stressed his "great contributions to all the compatriots and citizens of Kaohsiung and the city's construction."

Concerning their performance in the televised debate, incumbent Kaohsiung Mayor Wu Tun-yi said he would surely win the support of citizens on the strength of his conscientious service over the past four years. Chang Chun-hsiung said he had all along called for holding a televised debate and would let citizens appraise their performance at the debate. Tang A-ken said he participated in the debate "in the mood of a boxer entering a ring." He said he was not satisfied with his performance, would review and make improvements, and, meanwhile, would look forward to the next televised debate to be held 27 November.

DPP Chairman Shih Ming-te believed Chang Chun-hsiung outperformed his rivals in the debate, but thought Chang "too honest and sincere as he did not strongly criticize Wu Tun-yi." DPP Legislator Li Hsin-hsiung believed that Tang A-ken was the debate winner and that Chang Chun-hsiung seemed strained in his debate because, as the candidate of an opposition party, Chang should have strongly attacked the shortcomings of a ruling party in its administration. NP legislator (Wang Chin-hsuan) thought that Tang A-ken's performance was the best of the three and that the atmosphere of Kaohsiung's debate was more moderate than Taipei's. Chien Han-sheng, director of the KMT Cultural Affairs Department, thought Wu Tun-yi was "calm and steady" in his performance; he believed Wu's debate "had substance" as he clearly presented "the achievements he had scored during his four-year tenure as Kaohsiung mayor as well as his blueprint for the city's future"; he thought the other two candidates' arguments were "not to the point"; and, therefore, he "gave a score of 90 to Wu."

The results of a LIEN HO PAO poll showed Wu Tun-yi continued his lead in the race. A CHUNG KUO SHIH PAO poll showed Wu Tun-yi capturing 53 percent of the popular support rate, followed by Chang Chun-hsiung and Tang A-ken.

After the debate, Shih Chung-hsiang, a nonparty candidate, rallied more than 50 supporters to stage a protest at Chung Shan University against CHUNG KUO SHIH PAO and the Taiwan Television Enterprise for not inviting candidates who do not belong to the KMT, the DPP, or the NP to participate in the televised debate. Some of his supporters tried to break through a police blockade, clashing with riot police. Shih Chung-hsiang's younger brother and nephew sustained head injuries during the clash. They passed out on the spot and were sent to Kaohsiung's Tatung Hospital for emergency medical treatment. Shih Chung-hsiang filed a lawsuit against the police station chief and later went to the Kaohsiung City Police Station to lodge a protest. A police statement issued afterwards declared that the police did not harm the protesters on purpose, that an accident was unavoidable during the clash, and that some policemen also sustained injuries.

Hong Kong

Canadian Premier Urges PRC Be Admitted to WTO

HK1211053294 Hong Kong AFP in English 0437 GMT
12 Nov 94

[By Peter Lim]

[FBIS Transcribed Text] Hong Kong, Nov 12 (AFP)—Canadian Prime Minister Jean Chretien said Saturday [12 November] it would be a "serious omission" if China were left out of the World Trade Organisation (WTO) as a founding member. "Canada believes it is vital that China become a full-fledged member of the World Trade Organization," Chretien told a business gathering of the Canadian Chamber of Commerce in Hong Kong.

"It would be a serious omission if a country whose people represent nearly one-third of the world's population were not part of this agreement," said Chretien, who arrived here Thursday after a visit to China where he saw the signing of trade deals worth 8.6 billion Canadian (6.4 billion US) including the sale of two nuclear reactors. The General Agreement on Tariffs and Trade (GATT) becomes the WTO on January 1, and China hopes to join as a founding member.

"A more prosperous China will provide new opportunities for investment and new markets," he said. "I know these matters interest you as you think about your future after 1997" when the British colony, which is the main source of Canada's investment capital of immigrants, reverts to Chinese rule.

Chretien reiterated his earlier assurance to Hong Kong people that he would like to see Beijing respect Hong Kong's wishes after 1997. Canada remained "strongly committed" to Hong Kong, he said, adding: "Canadians will be watching carefully" to see whether China would preserve Hong Kong's vibrant capitalist economy after 1997.

"We are also interested in seeing that the transition is smooth, orderly and respectful of the way of life of the people of Hong Kong," Chretien said.

Two-way trade between Canada and Hong Kong reached nearly two billion Canadian dollars (2.5 billion US dollars) last year, while Hong Kong investment in Canada—ranging from oil companies to real estate—is valued at several billion dollars. Of the more than 1,000 people in Hong Kong who are emigrating every week as Chinese sovereignty approaches, more than half go to Canada—making it the country's main source of immigrants. Last year, 36,485 immigrants came to Canada from Hong Kong.

Patten Reiterates Intention To Stay As Governor

HK1311075994 Hong Kong SUNDAY HONGKONG
STANDARD in English 13 Nov 94 p 1

[By Moira Holden]

[FBIS Transcribed Text] Governor Chris Patten has hinted he would view as dishonourable action any attempt to oust him from his post before the handover of sovereignty.

Speaking before flying to Los Angeles on a trade mission, Mr Patten repeated his intention to stay on as Governor of Hong Kong until July 1997.

During the past year the possibility of his returning to the British political stage had been vaunted by MPs eager to see the presence of such a heavyweight politician in the domestic scene to back British Prime Minister John Major. It has also been suggested that a replacement for Mr Patten could bring about a breakthrough in the Sino-British deadlock, following China's reaction to his introduction of far-reaching democratic reforms in the territory.

But yesterday, Mr Patten reiterated his plans to fulfil the duration of his five-year term in Hong Kong.

"I am seeking to discharge the responsibility of the British government to the people of Hong Kong," he said.

"I intend to go on doing that until that famous midnight on 30 June 1997.

"I can't conceive of a more interesting and important job whether you define that politically, diplomatically or morally, than the job I am trying to do here.

"I cannot conceive of any circumstances in which I will not be continuing in the job until the final trumpet."

Asked if he would consider as "dishonourable action" a move to replace him before the transfer of sovereignty, the Governor would only reply: "There are important issues involving honesty and honour."

Mr Patten left yesterday for an eight-day trip to the west coast of America, the first visit by a Hong Kong governor to Los Angeles since 1989.

Mr Patten is due to make four major speeches and meet Governor Pete Wilson of California.

He will also lobby for Hong Kong business in San Francisco and Seattle and said it was "high time" such a visit was made.

Further on Sentencing of Pro-Democracy Activist Gao Yu

HK1211070094 Hong Kong HONGKONG STANDARD
in English 12 Nov 94 p 1

[By Amy Liu]

[FBI Transcribed Text] A contributor to the Hong Kong based pro-Beijing monthly, the MIRROR [CHING PAO], has been secretly sentenced to seven years in jail. The HONGKONG STANDARD has learnt. Gao Yu, 49, had already been detained for about a year. Her

family in Beijing was informed of the sentence by security officials last Wednesday [9 November] or Thursday, sources in the capital said.

They added that the sentencing was conducted secretly without notifying Gao's family and no lawyer was present. The family was to make an appeal but was short of funds, the sources added.

Gao had been jobless since the Tiananmen Square crackdown in 1989. Asked to comment on the case, Gao's former colleague and a democracy activist in exile in the United States, Wang Juntao, said: "It is definitely illegal to pass sentence without the presence of her family and a lawyer."

"The Chinese authorities recently toughened their crackdown on the so-called leakage of secrets because... (they) may have a negative influence on foreigners' impressions of China."

Gao, a former deputy editor-in-chief of the banned *ECONOMIC WEEKLY*, was jailed for about a year for her role in the Tiananmen demonstrations. She was arrested again on 2 October 1993 for writing two articles for the China watching *MIRROR* which revealed reform packages to be tabled at the National People's Congress (NPC) session last year. She was charged with "leaking state secrets" abroad. During detention her husband Zhao Yuankang was only allowed to visit her once.

The publisher of the Chinese-language *MIRROR*, Tsui Sze-min, last month denied that his magazine had any connection with Gao's case. Mr Tsui said Gao's articles published in his magazine were not sensitive at all, but he acknowledged that Gao had been a contributor to his magazine.

Sino-UK Talks on Infrastructure Held in Beijing

Zhang Liangdong Speaks at Meeting

OW1011153394 Beijing XINHUA Domestic Service in Chinese 1233 GMT 10 Nov 94

[By reporter Fang Jin (2455 3866)]

[FBIS Translated Text] Beijing, 10 Nov (XINHUA)—The first Sino-British talks on creating a "Committee for Coordinating Large-Scale Capital Construction Projects in Hong Kong and Mainland China" were held at the Diaoyutai State Guesthouse in Beijing today.

Speaking at a news briefing after the talks, Zhang Liangdong, Chinese delegate and director of the State Council Hong Kong and Macao Affairs Office Hong Kong Economic Department, said: In recent years, Hong Kong and Mainland China have experienced rapid economic development. The two territories have built many infrastructure facilities. Many of these facilities will extend into both territories because of the close economic

relations between them. There is the question of coordination. He said: Only by closely coordinating the construction of infrastructure facilities in the two territories can we avert losses through blind construction, improve these facilities' economic returns, and play a positive role in promoting long-term economic and social stability and development in the two territories.

China recently proposed the establishment of an organization for overall coordination in linking large-scale capital construction projects in Hong Kong and Mainland China. Britain responded positively to the proposal. After today's talks, delegates from both China and Britain said that the atmosphere of the talks was good, and the talks were positive and practical. The two sides share each other's views on creating this organization. British delegate Eason noted that he would provide information on today's talks to relevant Hong Kong Government people and departments, and would give a positive reply as soon as possible.

During today's talks, China advanced a general idea regarding the name, functions, and future operational mode of the organization in question. It also presented a list of the organization's Chinese members to the British side. China proposed: The organization should be named the "Sino-British Committee for Coordinating Large-Scale Capital Construction Projects in Hong Kong and Mainland China." Its functions will be to hold consultations on coordinating large-scale capital construction projects, which are either under construction and on the drawing boards, in Hong Kong and Mainland China, and make corresponding arrangements. Its purpose is to meet the needs of social and economic development in the two territories, and to maximize the social and economic returns of these infrastructure facilities. The organization's Chinese members will include people in overall charge of this matter in the State Council Hong Kong and Macao Affairs Office, the State Planning Commission, the State Economics and Trade Commission, the Communications and Railways Ministries, the General Administration of Civil Aviation, the Guangdong provincial government, XINHUA NEWS AGENCY's Hong Kong branch, and the Foreign Ministry Hong Kong and Macao Affairs Office.

Zhang Liangdong expressed the hope that Britain would make a decision as soon as possible, carry it out, and establish a coordinating organization at an early date.

People in charge of relevant departments, including the State Planning Commission, the Foreign Ministry Hong Kong and Macao Affairs Office, and the XINHUA NEWS AGENCY's Hong Kong branch, attended today's talks.

British negotiators, led by Tony Eason, Hong Kong secretary for planning, environment, and land, arrived in Beijing on 9 November.

Patten 'Welcomes' Infrastructure Body

HK1311075694 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 13 Nov 94 p 2

[By political staff]

[FBIS Transcribed Text] Governor Chris Patten has welcomed a proposed cross-border committee on infrastructure development.

Brushing aside some officials' fears that the new body might hurt Hong Kong, Mr Patten hinted yesterday it would instead help prevent China from imposing its own projects on the territory.

"It's a welcome development and may, for example, ensure that we don't face a situation in which bridges start turning up in Hong Kong without us knowing about them," he said, referring to the Zhuhai-Tuen Mun bridge, which was announced by mainland authorities without consulting Hong Kong.

Speaking before leaving on a trip to the United States, Mr Patten stressed the proposed committee would not weaken the territory's autonomy.

He added that another meeting would be needed to discuss details before the committee could be set up.

"It's not a committee or a working group which will in any way detract from Hong Kong's legitimate autonomy. Its intention is to speed up decision-making," he said.

The committee was proposed by mainland officials during a visit to Beijing last week by the Secretary for Planning, Environment and Lands, Tony Eason.

In Beijing, Hong Kong and Macao Affairs Office economics chief Zhang Liangdong, who will head the Chinese side of the proposed committee, said there was no danger of it interfering with the work of the Joint Liaison Group (JLG).

"The JLG deals with problems related to the transition but our committee will co-ordinate infrastructural developments across the border. They have completely different tasks," he said.

Mr Patten also fired a fresh shot in the Government's battle to persuade the Legislative Council to set up the Court of Final Appeal, warning that the Privy Council—currently the territory's highest body of appeal—may begin refusing to hear Hong Kong cases less than two years from now.

"Unless we have the court up and running by the middle of 1996 we will face a vacuum at the top of our legal structure because the Privy Council takes about a year to consider cases, which means that from about the middle of 1996 they would find it very difficult to handle Hong Kong cases," he said.

But Law Society chairman Roderick Woo Bun said it was "worthless" discussing the draft bill until it was known whether Beijing would allow the court to straddle 1997.

UK Urged To Cooperate With PRC on Transition

HK1411091994 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0849 GMT 13 Nov 94

[By reporter Shi Qingbin (2457 3237 1755)]

[FBIS Translated Text] 13 Nov, Hong Kong (ZHONGGUO TONGXUN SHE)—Sze Cheong-pang, CPPCC [Chinese People's Political Consultative Conference] National Committee member, said he believed that financial arrangements for the airport railway and Provisional Airport Authority can be readily settled following the agreement reached between China and Britain on the overall financing for the airport. During the latter half of the transitional period, however, there are still many problems concerning a smooth transition of political power, civil servants, finance, and trade which must be resolved. He urged the British side to show greater sincerity in cooperating with the Chinese side.

During an interview with this reporter, Sze Cheong-pang said that Hong Kong's prosperity today is a miracle created by the vast number of Hong Kong people. As 1997, the year for the return of sovereignty, is approaching, Hong Kong's current development is conditioned by the short-term behavior of the British colonial administration. He believed that such a factor will disappear and the economy will grow faster after the return of Hong Kong's sovereignty and the implementation of Hong Kong people ruling Hong Kong.

As the British side has dished out the "three violations" constitutional reform package, which placed obstacles to a smooth transition, the Chinese side will have to set up a new stove after its recovery of the sovereignty of Hong Kong in 1997. So long as the mainland's political situation is stable and the policy of reform and opening up remains unchanged, China will be entirely capable of recovering and ruling Hong Kong. Even though there may be some difficulties in attaining a smooth transition, they can be overcome.

There will be no disorder because Hong Kong has the Basic Law to exercise administration according to law, Sze pointed out. Doing a good job of the return of sovereignty according to the Basic Law will be very important during the latter period of Hong Kong's transition. If the British side clings obstinately to its course and runs in the opposite direction, it will lose its own interests.

New PRC Joint Liaison Head Pledges Cooperation

HK1211060494 Hong Kong SOUTH CHINA MORNING POST in English 12 Nov 94 p 1

[By Catherine Ng]

[FBIS Transcribed Text] China's new leader of the Joint Liaison Group (JLG), Zhao Jihua, arrived in Hong Kong last night with a promise to co-operate with Britain to speed up work in the stalled diplomatic body. Mr Zhao, who replaces the retiring Guo Fengmin, said: "I feel proud to be appointed as the third Chinese team chief representative of the JLG. I am very glad and feel I am taking on an important duty."

"On the first day of my job I will tell Hong Kong people I am willing to try my best to co-operate with the British side in the JLG."

"In the final stage of the late transitional period, from the Chinese point of view, we want to speed up the work of the JLG, which is seen as the most important channel for the two governments to study issues relating to Hong Kong."

"From my point of view, I certainly want to do a good job based on the foundation established by my predecessor."

Mr Zhao, 59, was greeted at Kai Tak airport by the British JLG team leader, Hugh Davies, who said he wanted to allow Mr Zhao time to prepare and did not want to put pressure on him, because it was his first visit to Hong Kong. He said he had met Mr Zhao in Beijing in September and expected to hold a meeting with him next week. "I look forward to working with him over the next few years and hope there will be a new atmosphere," he said.

A career diplomat, Mr Zhao has been deeply involved with Hong Kong affairs, and participated in the 1982-84 Sino-British talks on the future of Hong Kong.

Former Police 'Monitored' PRC Officials

Officers Demand Public Hearing

HK1111061294 Hong Kong SOUTH CHINA MORNING POST in English 11 Nov 94 p 1

[By Ada Yuen]

[FBIS Transcribed Text] Senior Chinese officials and leading pro-Beijing figures were tailed by police, former Special Branch officers revealed yesterday.

The list of names was revealed for the first time as the officers petitioned the Legislative Council [Legco], calling for a public hearing into their demand for compensation and passports to resettle in Britain. The officers are angry they have been excluded from a special pre-1997 package offered to other colleagues because of the sensitive nature of their work.

The subjects monitored include the present and former XINHUA (NEW CHINA NEWS AGENCY) directors, Zhou Nan and Xu Jiutun. Also watched were National People's Congress (NPC) delegate Liu Yiu-chu; the Democratic Alliance for the Betterment of Hong Kong chairman and Chinese People's Political Consultative

Conference (CPPCC) delegate, Tsang Yok-sing; his brother, Tsang Tak-sing, who is also an NPC delegate Henry Fok Ying-tung, vice-chairman of the CPPCC, local NPC delegate Ng Hong-man; and local CPPCC delegate Lau Nai-keung.

One of the petitioning officers was stationed at the Lowu border crossing. He said officers there were given a list of people to monitor. They worked alongside immigration officers and, when targets appeared, they noted their arrival and departure times and destinations. They also photocopied the pages of their passports.

They would then follow the subjects to the railway station and hand over to the next section of the Special Branch to continue the tailing. Officers had to record where their targets went, who they met and, if possible, details of their conversations.

"I met face-to-face with many top Chinese officials when I was working at the border," the petitioning officer told legislators. "And when I was posted back to the unformed branch I met many of them again when patrolling XINHUA."

The 16 former Special Branch officers yesterday were received by legislators James To Kun-sun, Peggy Lam Pei Yu-dja and the Reverend Fung Chi-wood. Both Mr To and Mrs Lam said the privacy of those who had been followed had been violated. "It is difficult to say whether the monitoring was political," Mr To said.

The Special Branch officers' duties also included protecting pro-democracy activists who fled from China shortly after the Tiananmen massacre on June 4, 1989, and guarding political prisoners. The petitioning officers feel they have been unfairly treated by the Government.

"The present Hong Kong Government may not think that the tasks we did were sensitive but the future government may think otherwise," one officer said. He said they were afraid that they and their families would be persecuted and wanted to leave Hong Kong before the handover. The officer said a public hearing by Legco would protect witnesses from prosecution under the Official Secrets Act and prove the sensitivity of their work.

The Government has maintained that these officers are not eligible for compensation because their jobs were not sensitive.

Under the package, officers could opt for an early retirement and would be compensated with payments of about \$800,000 and full British passports.

CPPCC Delegate 'Dismayed'

HK1211071294 Hong Kong SOUTH CHINA MORNING POST in English 12 Nov 94 p 3

[By Ada Yuen and Michelle Chin]

[FBIS Transcribed Text] China-backed organisations, schools and companies were on a Special Branch target list, former officers said yesterday. More than 20 organisations and companies with strong Chinese connections—including Gordon Wu Ying-Sheung's Hopewell Holdings—were earmarked for political monitoring. Also on the list was XINHUA (the NEW CHINA NEWS AGENCY) and several companies in the China Resources Building in Wan Chai, they said.

The officers are angry at being excluded—because of the sensitive nature of their work—from a special pre-1997 compensation and resettlement package which was offered to colleagues. [sentence as published]

They also claimed there was a list of people to monitor which contained about 800 names, mostly pro-Beijing activists and Chinese officials. They said all public activities conducted by these organisations were noted, and mainland guests visiting the companies were identified. Special Branch officers were instructed to report to their superiors when they saw people on the list enter Hong Kong. The superiors would then arrange for these people to be tailed by officers in other sections of the branch.

Leading pro-Beijing figures said the alleged activities conducted by the branch had infringed their privacy. Sixteen former branch officers, who represent a group of 60 officers denied compensation under the special scheme, revealed on Thursday [10 November] that senior Chinese officials and leading pro-Beijing figures had been tailed by police.

Lau Nai-keung, a member of the Chinese People's Political Consultative Conference (CPPCC), who was on the target list, was dismayed by the monitoring which he said was politically motivated. He demanded an explanation from Secretary for Security Alistair Asprey. In a letter to Mr Asprey Mr Lau asked for confirmation of the allegations made by the former officers. He also demanded details of his surveillance. Mr Lau said if he had been followed, the action was an infringement of his privacy, "to say the least".

Another CPPCC delegate, Tsang Yok-sing, accused the Government of wasting taxpayers' money. Mr Tsang, chairman of the Democratic Alliance for the Betterment of Hong Kong, said the former officers should have no fears for their safety after 1997. "One thing for sure is nobody will be retaliated against because they once followed me. They were only carrying out their duties," he said.

Ng Hong-mun, a long time local National People's Congress delegate who was also on the list, said he knew he had been tailed since the 1950s. "They were infringing my freedom and it posed a kind of psychological threat to me," he said. However, he said the Chinese Government would "take a lenient attitude" towards the officers. "There will be no problem."

The deputy director of the Special Branch, Robert Steele, would not say if the police were looking at whether the former officer had breached the Official Secrets Act by publicising the names. He said the officers could "say whatever they like". He refused to confirm or deny their allegations.

Police Commissioner Eddie Hui Ki-on said the case had been considered in court and nothing further could be done. The officers will today make public a letter to Mr Hui, expressing fears about their safety and asking him to explain how it could be ensured after 1997. Under the package, officers could opt for an early retirement and would be compensated with payments of about \$800,000 and full British passports.

Zhang Junsheng Demands 'Explanation'

HK1411100494 Hong Kong WEN WEI PO in Chinese
13 Nov 94 p A12

[Report: "Zhang Junsheng Asks Hong Kong Government To Explain Surveillance of Mainland Officials"]

[FBIS Translated Text] Former Special Branch officers recently disclosed that they had been sent to monitor and tail Chinese mainland personnel carrying out official business in Hong Kong, as well as noted public figures from Hong Kong. In response to this, Zhang Junsheng, deputy director of the XINHUA Hong Kong Branch, said yesterday that the Hong Kong government should make an explanation.

Zhang made this remark in answer to a reporter's question after attending the opening ceremony of the "China's Scenery Photo Competition Exhibition." Zhang said: This thing has been disclosed on several occasions recently. Mr. Tsui Ka-kit, former ICAC's [Independent Commission Against Corruption] operations director also disclosed the telephone tapping of some public figures. In Zhang's view, the Hong Kong Government should make an explanation on this but so far it has not done so.

Zhang pointed out: If some people have monitored and tailed persons in charge of the XINHUA branch, those carrying out the duty do not have any responsibility but the Hong Kong Government should make an explanation. The mainland officials kept under surveillance and tailed carry out official business in Hong Kong. If you want to know something about them or have any opinion about their activities and you make your requests through normal procedures, this is another matter. But how can you monitor and tail them? And how can you monitor and tail other noted public figures?

Zhang also talked about the issue of Hong Kong Government officials who had recently been to Beijing to discuss coordination of capital construction. He said: When attending the PWC [Preliminary Working Group] economic sub-group meeting in Hong Kong in the first half of this year, Lu Ping, director of the State Council's Hong Kong and Macao Affairs Office, talked about the

need to coordinate well capital construction between the two places as did the PWC economic sub-group. All people know that relations between Hong Kong and the mainland are very close. There are not only natural geographical links but also increasingly closer economic links. It can be said that neither can do without the other. Hong Kong cannot do without the mainland and vice versa. Viewed from the links between Hong Kong, Guangdong, and the Zhujiang Delta, there must be good communication and coordination in terms of infrastructure and capital construction. Otherwise, they cannot be converged in the future and this will lead to enormous waste, which is not good for both places. Therefore, both parties should have discussed these issues long ago. The Hong Kong government has consistently refused to discuss them in the past. It is good that they are ready to talk now.

Students Protest PRC Provisional Legislature Plan

HK1111062194 Hong Kong HONGKONG STANDARD in English 11 Nov 94 p 2

[By Frances Wu]

[FBIS Transcribed Text] Fifteen students from the Hong Kong Federation of Students clashed with police yesterday while protesting outside the XINHUA NEWS AGENCY against China's plans to set up a provisional legislature. Waving a banner and chanting slogans, the students condemned plans for a provisional post-1997 legislature as a violation of democracy.

One of the students was barred from the office while trying to deliver a letter condemning the plan. The students taped the letter and a placard reading "The Preliminary Working Committee speaks nonsense" on XINHUA office door.

Police demanded the students' identity cards and said the protesters could be charged for taping the letter and placard on the door. It is not known if XINHUA will press charges.

Democratic Party legislator James To later attacked the police action as "unreasonable" and an "over-reaction."

"This is a violation of the right of peaceful demonstration," Mr To said. "The students should have the right to deliver the letter as they did not do any damage and were not delivering any offensive article."

PWC Official on Policies Requiring Post-1997 Funding

HK1311075894 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 13 Nov 94 p 2

[Unattributed report]

[FBIS Transcribed Text] Government policies with post-1997 funding implications should only go ahead with

China's approval, the economic sub-group of the Preliminary Working Committee said yesterday.

Convenor Nellie Fong Wong Kut-man said a pledge by Governor Chris Patten to consult China over the 1997-98 budget was not enough, because many earlier government decisions would also straddle 1997.

PWC Economic Subcommittee Meeting Ends in Beijing

OW1211121794 Beijing XINHUA Domestic Service in Chinese 0749 GMT 12 Nov 94

[By reporter Wang Chi (3769 3589)]

[FBIS Translated Text] Beijing, 12 Nov (XINHUA)—The 11th meeting of the economic subcommittee of the Hong Kong Special Administrative Region [SAR] Preparatory Committee's Preliminary Working Committee [PWC] ended in Beijing today.

During the meeting, PWC members heard a briefing by an official from the State Council's Hong Kong and Macao Affairs Office on the results of Sino-British consultations on setting up a committee for coordinating large capital construction projects in Hong Kong and Mainland China. They expressed the hope that the committee in question would be set up at an early date. They also held talks on and made plans for integrating local capital construction projects with those in Hong Kong. They welcomed the British Hong Kong Government's positive response to China's proposal for creating such a committee, voicing the hope that the British side would cooperate with the Chinese side in this matter. They also heard briefings by the mayor of Zhuhai on the construction of the Lingdingyang Bridge and by the mayor of Shenzhen on the tentative plan for the Shenzhen-Hong Kong Western Corridor project, including a bridge linking Shekou and Yuen Long [Yuan Lang]. PWC members said the two projects had positive significance for strengthening Hong Kong's economic contacts with southern China, and for promoting long-term economic and social development in the two territories. They called for conducting more feasibility studies.

The meeting discussed and initially decided on a tentative plan for the subcommittee's next stage of work. Under the plan, the subcommittee will further study a host of issues regarding large capital construction projects in the two territories so as to offer comments and suggestions to relevant departments. To ensure that Hong Kong's sewage project will be discussed in advance and planned rationally, it will also study the project and other major issues that affect Hong Kong's environmental protection. To equip Hong Kong with appropriate measures for dealing with issues involving foreign countries and Mainland China after 1997, the subcommittee will study ways to help Hong Kong strengthen the protection of intellectual property rights, provide better investment protection, and settle disputes. It will make suggestions after studying the issue of how the SAR

Government will be responsible for many post-1997 budgetary items that Hong Kong will introduce in the coming years, while expressing the hope that the British side would furnish relevant information to the Joint Liaison Group at an early date and hold talks with the latter.

PWC Proposes Changes in Hong Kong Judicial System

HK1111060994 Hong Kong WEN WEI PO in Chinese
11 Nov 94 p A12

[Dispatch by staff reporter: "Preliminary Working Committee's Political Affairs Sub-Group Says the Names of Supreme Court and Court of Appeal Should Be Changed"]

[FBIS Translated Text] Beijing, 10 Nov—The 12th meeting of the Political Affairs Sub-Group of the Preliminary Working Committee [PWC] ended today. At its meeting yesterday, the sub-group discussed the issue of forming the judicial organs of the Hong Kong Special Administrative Region [SAR]. The members of the sub-group pointed out that the formation of the judicial organs of the Hong Kong SAR is an important task in preparing for the setting up of the Hong Kong SAR. The Court of Final Appeal of the Hong Kong SAR should be formed by the Preparatory Committee according to the provisions of the Basic Law. The judges of the court will be appointed by the chief executive on the recommendation of an independent commission and with the approval of the Legislative Council.

The members pointed out: The original judicial system practiced in Hong Kong should undergo necessary adjustments in making a transition into the judicial system of the Hong Kong SAR. The "Supreme Court" should be renamed "High Court" [gao deng fa yuan 7559 4583 3127 7108] and the "Court of Appeal" and "High Court" renamed "Appellate Court" [shang su fa ting 0006 6083 3127 1656] and "Trial Court" [yuan song fa ting 0626 6075 3127 1656], respectively. With the exception of this, other aspects of the judicial system will be preserved. The judges and other judicial personnel working in Hong Kong before the establishment of the Hong Kong SAR will be kept on, but they must go through reappointment procedures. When discussing the setting up of the Hong Kong SAR Basic Law Committee of the National People's Congress [NPC] Standing Committee, the members pointed out: The relevant NPC decisions have clearly defined the subordination, tasks, and formation of the Basic Law Committee. The members of the Basic Law Committee must support the principle of "one country, two systems," and must support and have an intimate knowledge of the Basic Law. In line with the provisions of the Basic Law, the members also put forward tentative ideas on the content of the oath and on the oath-taking procedures for the chief executive, principal officials, members of the Executive Council, members of the Legislative Council, and court judges at various levels of the Hong Kong SAR when they take office.

UK Officials: Judicial Proposal 'Disturbing'

HK1211071694 Hong Kong EASTERN EXPRESS in English 12-13 Nov 94 p 2

[By Rain Ren, Mary Luk and Wing Kay Po]

[FBIS Transcribed Text] Diplomatic and government officials yesterday lashed out at the proposal by the Beijing-appointed Preliminary Working Committee for the 1996 preparatory committee to set up the court of final appeal. British officials yesterday described the proposal as "disturbing and worrying". "We are still talking about this issue at the JLG (Joint Liaison Group). It is still on the agenda of the JLG," a British official said.

The PWC political subgroup issued a statement saying that the future court of final appeal (CFA) should be set up by the preparatory committee, which will come into being in 1996 to prepare for the setting up of the Special Administrative Region government. The mainland convenor of the political sub-group, Xiao Weiyun, has said that Britain had failed to set up the court four years after it had reached agreement with China on the issue, and Beijing could not wait any longer.

"It is just absurd for the Chinese to accuse us of holding up the establishment of the court because the bill has been with them since May," the British official said. "I hope the PWC will not come up with other proposals which will cause trouble and disturbance in Hong Kong," he said.

The Director of Administration, Richard Hoare, yesterday described the PWC proposal as "confusing" and "amazing". "Under the Basic Law, the preparatory committee will not come into being until 1996. But according to our CFA draft bill, the law to allow the court to be established should be passed in 1995. It is our plan to have the court in operation by 1996.

"I don't know what the PWC is driving at. Maybe it is making arrangements for after 1997 in case our bill couldn't be passed," he said.

He said the PWC was only an advisory body of the Chinese government and it did not represent the official views of the Chinese authorities. He said he could not see how the PWC's suggestion would affect the Government's consultation on the draft bill. "We will continue to pursue the bill," he said.

Hoare said he might "have a word" with some PWC members when they returned to Hong Kong from Beijing. He said that as long as the Government set up the court in accordance with the 1991 JLG agreement, it should be able to survive after 1997.

The chairman of the Democratic Party, Martin Lee, said he was "very happy" to hear that the preparatory committee would set up the court of final appeal "in accordance with the Basic Law". He said the PWC proposal to set up the court according to the Basic Law was at least

preferable to the Government draft bill, which he said contravenes both the Joint Declaration and the Basic Law.

Lee, accused the Government of "misleading the public" in warning that the court could not be set up if the Government draft bill was rejected. He said it took up to a year to process an application for a Privy Council hearing and that there would not be a problem if the court could be set up within one year after the change of sovereignty.

Sino-UK Committee To Coordinate Major Projects

HK1111120594 Beijing CHINA DAILY in English 11 Nov 94 p 1

[By Xie Liangjun: "Sino-UK Group To Oversee Key Projects"]

[FBIS Transcribed Text] A Sino-British committee will be set up to coordinate major infrastructure projects which concern both the Chinese mainland and Hong Kong.

The establishment of the committee is seen as a step forward in Sino-British relations and follows the November 4 signing of financial arrangements for Hong Kong's new airport.

Zhang Liangdong, head of the Hong Kong Economic Department under the Hong Kong and Macao Affairs Office of the State Council, said he hoped the new Sino-British coordination body would be set up next week.

He announced the news yesterday morning after a three-hour discussion with Tony Eason, secretary for planning, environment, and land of the British Hong Kong Government. Zhang and Tong Eason said that the talks had been positive and had opened the door for further discussions.

Zhang said that they had discussed the powers, functions, and procedures of the committee. He said that the Chinese side had also put forward proposals for major cross-border infrastructure projects.

Tony Eason said that they had had a fruitful exchange of views which he described as "pragmatic and constructive."

"We have established wide areas of common ground between us and have provided good foundations for further discussions and deliberations," he said.

Tony Eason said that he would return to Hong Kong with a positive report to Hong Kong Governor Chris Patten and Chief Secretary Anson Chan. He also said that they will be planning a response to the Chinese proposals for improving coordination and cooperation of major crossborder projects.

"We will be aiming to do that as quickly as we can," said Eason.

Both Zhang and Eason refused to disclose more details about the committee at this stage and say they need to hold further discussions.

Zhang said that the Chinese side has decided who should become members of the Chinese side of the committee.

The members will be officials from the Hong Kong and Macao Affairs Office of the State Council; the ministries of foreign affairs, communications, and railway; the State Planning Commission; the Economic and Trade Commission; the Civil Aviation Administration of China; the Hong Kong branch of Xinhua News Agency; and the Guangdong Provincial Planning Commission....

Zhang said the committee will begin work via counting how many important cross-border projects are being constructed or considered.

Rapid economic development in the mainland and Hong Kong have prompted governments on both sides to boost infrastructure developments of railways, highways, ports, airports, bridges, and navigation channels. Cooperation on these projects will maximize economic and social results as well as reduce investment waste.

Meanwhile, the Political Affairs Panel of the Preliminary Working Committee for the Preparatory Committee of the Hong Kong Special Administrative Region (SAR) also wrapped up a two day conference in Beijing yesterday afternoon.

Trade Official Views Impact of U.S. Poll Results

HK1011141594 Hong Kong Television Broadcasts Limited in English 1200 GMT 10 Nov 94

[From the "News at 8:00" program]

[FBIS Transcribed Excerpt] Bill Clinton's election battering couldn't have come at a worse time for the Asia-Pacific region, as leaders prepare for their annual summit. But U.S. trade representative Micky Kantor says American trade policy won't be affected by the election results. Linda Li has more on the presummit talks in Jakarta.

[Begin recording] [Li] The three-day senior officials' meeting concluded today, paving the way for further discussions at the ministerial level. Although the APEC ministerial meeting does not start until tomorrow, many trade ministers are wasting no time in holding bilateral meetings with their counterparts from other member-states.

Hong Kong secretary for trade already met with Indonesian trade officials this morning. Brian Chau says he is scheduling a meeting with U.S. trade representative Micky Kantor. Aside from discussing anti-dumping laws and rules of origin for clothing, Hong Kong will also

express concerns over the new political landscape in the U.S. Congress, and its impact on Washington's trade policies.

[Chau] In the new precise circumstances, we would like to know whether the defeat of the Democrats would have an impact on the thinking of existing members of Congress? [passage omitted] [end recording]

Official Urges Business To Help Uphold Autonomy

HK1111061494 Hong Kong SOUTH CHINA MORNING POST in English 11 Nov 94 p 5

[By Chris Yeung]

[FBIS Transcribed Text] Chief Secretary Anson Chan Fang On-sang yesterday called on the local business community to speak up and back the Government over the awarding of the contract to build the Container Terminal 9 project.

China has said the contract was awarded to Jardines on political grounds and has insisted it be re-awarded in open tender.

"I was a little surprised there was not more reaction in the business community to this episode," Mrs Chan told a lunch hosted by the Australian Chamber of Commerce.

"I do believe it is vital to have the support of the business community in helping to preserve the characteristics which are so fundamental to our success."

Mrs Chan said that "conducting business on a level playing field, free of political consideration" was one of the fundamentals of the territory's system.

"I urge our friends in the business community to make that clear to all of those involved in the process of Hong Kong's transition," she said.

She emphasised the need to preserve the territory's promised autonomy after 1997.

"At the heart of this is the rule of law, embodied in an independent judiciary and a legal system that is accessible to all. A system moreover that embraces a body of commercial case law, and a highly successful arbitration system," Mrs Chan said.

"The rule of law together with a clean, efficient, highly efficient and apolitical administration provides the mixture which has produced the Hong Kong magic."

[The following was run under the same headline and enclosed in a box: "It was not necessary to consult Beijing on the censorship of films, said Mrs Chan. She was responding to criticisms from China about the Government's intention to drop the right to cut or ban films if they would damage relations with other countries.

China has said the proposed deletion of the clause was a "major policy" matter which should be determined by the Joint Liaison Group. But Mrs Chan did not see the need to

discuss the matter with the JLG as the film censorship amendment had no connection with diplomatic policy."]

Hong Kong: Shanghai's 'Largest' Trading Partner

HK1411025594 Beijing ZHONGGUO XINWEN SHE in English 0657 GMT 12 Nov 94

[FBIS Transcribed Text] Shanghai, November 12 (CNS)—According to Shanghai municipal Foreign Capital Commission, Hong Kong has become the largest trade partner of Shanghai—a keen site for investors from all over the world.

In the first nine months of 1994, 3,061 foreign investment items were approved by Shanghai, a growth of 7 percent over the same period of 1993, while foreign capital contracted for these items increased by 33 percent over the corresponding period of 1993 to US\$8 billion.

Between January and September this year, Hong Kong businessmen had put their investment in 1,300 items in the city while their accumulatively-invested items were 4,700, accounting for 50 percent of foreign investment items over the past years. Therefore Hong Kong has become the biggest foreign economic partner of Shanghai. Among the contracted foreign capital in the first nine months in 1994, more than US\$5 billion was from Hong Kong, accumulating to over US\$12 billion in the past years. Thus Hong Kong has become the place to inject the greatest amount of foreign capital in Shanghai, following by Taiwan, US and Japan successively.

Foreign investment mainly concentrates in the industrial sector and tertiary industry in Shanghai with foreign-funded industrial items exceeding 7,100, representing 72 percent of the total foreign-invested items in the city while foreign-funded items in the tertiary industry were 2,400. Their investment value was about 25 percent of the total investment value in this industry there. Of these items, 10 percent was in real estate industry and public utilities and 5 percent in catering business.

Further on PRC Interpol Director's Comments on Ties

HK1111044994 Hong Kong TA KUNG PAO in Chinese 10 Nov 94 p 11

[Report: "PRC Interpol Chief Zhu Entao Says That Mainland-Hong Kong Police Cooperation Is To Be Further Strengthened"]

[FBIS Translated Text] Zhu Entao, director of the International Criminal Police Organization [Interpol] National Central Bureau, China, said yesterday that the mainland police and their Hong Kong counterparts had reached a consensus on cooperating with one another more closely to crack down on organized crime, economic crime, and drug-related crime and had agreed on the concrete measures to be taken.

The eight-member Interpol China National Central Bureau delegation paid a four-day visit to Hong Kong

beginning on 6 November and attended the 20th bilateral work meeting with senior Hong Kong police officers. The delegation was headed by Interpol National Central Bureau Director Zhu Entao, and its members included Zhang Shengqin, deputy director of the Guangdong Provincial Public Security Department and deputy director of the Interpol Guangdong Liaison Office, and He Jinghuan, head of the Shenzhen City Public Security Bureau.

Zhu Entao said after the meeting that the mainland and Hong Kong have been cooperating with one another for a decade, during which both sides have enhanced cooperation and coordination through Interpol and have achieved marked results in cracking down on criminal offenses and maintaining social order. Both sides have been very satisfied with their history of cooperation and have been particularly pleased to see these ties becoming closer in recent years. This cooperation is very important to Hong Kong and benefits the mainland as well. Both sides said that it is necessary to further strengthen and develop their cooperative ties.

He said: Hong Kong's public order in recent years has been very good, and we have seen a decreasing trend in the incidence of crime, particularly violent crime. For example, the number of cars stolen in 1993 was 40 percent lower than in 1992, and car theft also dropped 40 percent during the January to September period. The number of robberies at jewelry stores and banks in 1993 decreased 60 percent over 1992, and cases of bank robbery dropped 52 percent during the January to September period. Moreover, Hong Kong's social order has been stable in recent years, and the drop in serious violent crime has been even more apparent.

He also said that the Chinese side is very concerned about the rise in drug-related crime in Hong Kong over the last two years. In recent years, increasing amounts of drugs have entered the mainland from the outside world, primarily from the Golden Triangle area, and China has become a victim country and therefore is taking this matter very seriously. First, the National People's Congress will more vigorously legislate against drug-related crime; drug-related crimes will be severely punished; and special anti-narcotic inspection units, such as those in Yunnan Province, will be set up in the southwestern provinces and cities. In addition, more communications and liaison equipment and vehicles will be installed and efforts will be made to cooperate more closely with the Hong Kong police and Interpol.

Zhu Entao said that, during this visit, he observed that the Hong Kong police are very rigorous about training, and the Chinese side was deeply impressed by the high quality of the police officers.

In addition, he said that Interpol annual assembly will be held in Beijing from late September to late October 1995. It will be the first Interpol annual assembly ever held in Beijing, indicating that the Chinese police already have great influence in the world.

As for how to crack down on crimes committed by Hong Kong triads on the mainland, he said that China has taken a very clear position on fighting organized crime, the Chinese side will never allow outside triad figures to infiltrate the mainland, and every move to develop triad organizations or commit crime on the mainland will be stifled. After receiving the necessary information, the Chinese side will also pursue those trying to lie low in the mainland after committing crimes in Hong Kong.

As for the struggle against economic crime, he said that China has good ties of cooperation with other countries and areas, including the Hong Kong Police. He said that, last year, a case of fraud involving \$10 billion worth of letters of credit was discovered at the Hengshui Branch of the Hebei Agricultural Bank, and, with the assistance and cooperation of Interpol, the United States, and several localities, the Chinese police managed to freeze and immediately retrieve all the letters of credit.

[Hong Kong Police Commissioner] Eddie Hui also told reporters that the meeting had been very successful. He said that both sides had agreed to maintain contacts in various areas and widen the scope of exchanges, arrange more middle-level and working-level contacts, and hold more seminars on special topics. Both sides agreed to hold two seminars of different natures in the near future on the problem of narcotics and on the fight against counterfeit money and other fraudulent activities.

PRC Warns Rejection of Film Censorship Amendment

HK1211060294 Hong Kong SOUTH CHINA MORNING POST in English 12 Nov 94 p 5

[By Chris Yeung]

[FBIS Transcribed Text] China warned yesterday that an amendment proposed by Democratic Party leader Martin Lee Chuming to drop the "good relations" clause in the Film Censorship Ordinance might not survive after 1997—even if it became law. The head of the Culture and Sports Department of XINHUA (the NEW CHINA NEWS AGENCY), Wu Weili, said the amendment impinged on the relationship between China and neighbouring countries after 1997. "It should be discussed at the Sino-British Joint Liaison Group," he said. Mr Wu said China would not recognise the amendment if it was approved without China's consent.

The Hong Kong Government yesterday gazetted a private member's bill sponsored by Mr Lee to delete Section 10.2 (C), which empowers censors to ban a film if "there is a likelihood that the exhibition of the film would seriously damage good relations with other territories. The bill is scheduled to be tabled for first and second readings at the Legislative Council on Wednesday [16 November].

Mr Lee said the clause was in breach of the Bill of Rights. Censors should not be empowered to ban or cut part of a film on political grounds, he said. Mr Lee said Chinese

Officials should talk to him if they opposed the amendment. Rita Lau Ng Wai-lan, Commissioner of the Television and Entertainment Licensing Authority, said the amendment would not make the authority job harder. She said the clause had only been applied once since 1988 to cut a film—Mainland 1989, a Taiwanese production which touched on the June 4 killings that year in Beijing.

Government Gives PRC Details on Naval Base Tendering

HK1211071094 Hong Kong SOUTH CHINA
MORNING POST in English 12 Nov 94 p 1

[By Chris Yeung and Connie Law]

[FBIS Transcribed Text] The Government yesterday gave China details of the tendering procedure for the controversial naval base on Stonecutters Island and revealed that it was the People's Liberation Army (PLA) that was responsible for the cheapest bid being rejected. Secretary for Works James Blake disclosed that Kumagai Gumi (Hong Kong) had originally made a bid of \$797 million and then proposed an alternative design which was \$48 million cheaper. But the second design was rejected because it did not meet PLA specifications of having a structure that reduced the size of waves inside the naval base.

The disclosure follows a report that the Government had turned down the cheapest bid. China demanded details of the tendering procedures after the Government awarded the \$790 million contract to Gammon Construction Ltd, a Jardines subsidiary. Gammon beat six other groups with the lowest bid that conformed to PLA specifications. Construction started last week.

The pro-China Chinese daily TA KUNG PAO revealed the identity of the six and their tender prices in a report yesterday. The article alleged that the Government refused to consider Kumagai Gumi's cheaper option on the pretext that it did not have sufficient time to study its feasibility.

Mr Blake said the article was "misleading and misrepresents information". "The Chinese PLA experts insisted on a special design to reduce the size of waves inside the naval base," he said. The Government and Britain had pointed out to them that it would be more expensive "but as part of the final agreement (on defence land disposal) we accepted the specifications and we accepted the extra expense".

This special design was incorporated into the tender documents for the naval base, he said. Mr Blake said the alternative Kumagai Gumi bid did not conform to the Chinese specifications. He said he had not heard of any criticism of this exercise from China, although it had asked for information about the tendering procedures.

Sources said a British member of the Joint Liaison Group, Alan Paul, gave an account of the tender to his Chinese counterpart, Chen Zuor, yesterday. Mr Paul passed on a list of the unsuccessful bidders and another list of the prices they gave. A government source said the

confidentiality agreement between the Government and the bidders had not been violated because the two lists had not been associated.

Mr Blake said the Hong Kong Government had to finish the reprovisioning of military facilities and the construction of the naval base before June 30, 1997. It was a great deal of work, and he did not want the article to have affected the confidence and trust between the British and Chinese experts, he said.

It has been learnt that British and Government officials had explained to their Chinese counterparts the construction methods for the naval base during the seven years of talks on defence sites. The discussion covered technical specifications and the costs of various options. PLA experts had indicated that a more expensive way of building the seawall of the base was needed because of the stronger waves outside the base at Stonecutters Island.

Government Says CT9 Agreements Not Binding

HK1011083494 Hong Kong SOUTH CHINA
MORNING POST in English 10 Nov 94 p 7

[FBIS Transcribed Text] The Government has no contractual obligations under the agreement reached with the consortiums—including a Jardines-led group—for the Container Terminal 9 project, Secretary for Planning, Environment and Lands Tony Eason said.

In a written reply to legislator Samuel Wong Ping-wai, he said the agreement was reached between the Government and the consortiums on a "noncommittal and without-prejudice basis." No formal agreement had been signed and there was no validity period for the agreement reached, he said.

The Government agreed with the three consortiums in June on the terms and conditions of a private treaty grant for the CT9. The three comprise Hong Kong International Terminals Ltd, Modern Terminals Ltd and Tsing Yi Container Terminal Holdings Ltd led by the Jardines Matheson Group.

The project has been held up by a Sino-British row over the granting of the contracts to Jardines, which Beijing has said was far political reasons. Both the Government and Chinese officials have said they see no sign of an early breakthrough on the stalemate.

In another written reply, Mr Eason said the Government had not considered as "cost effective or financially sound at the moment" the option of building the first and second berth of the CT9 with public funds. "It would tie up public funds in a project which the private sector is known to be keenly interested in financing," he said. Mr Eason said the previous arrangements for building the eight existing container terminals had proved effective.

The Legco Finance Committee has approved a total of \$3.53 billion for the preparatory works for the CT9 and the supporting infrastructure.

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